

Consolidated Report on Implementation of 2018-2021

Regional Development Programme of Georgia for the

year 2020

**Department for Regional and Mountain Development
Ministry of Regional Development and Infrastructure of
Georgia**

2021

Table of Contents

Introduction	3
Section I: Analysis of the progress achieved by measures envisaged under the priorities	7
Priority 1. Improvement of key infrastructure supporting competitiveness and environmental sustainability of the country and its regions	7
Measure 1.1. Improvement of international and national road infrastructure	7
Measure 1.2. Development of other than road strategic transport infrastructure	8
Measure 1.3. Development of broadband infrastructure	10
Measure 1.4. Improvement of energy infrastructure and expanding renewable energy potential	12
Measure 1.5. Improvement of infrastructure for protection from natural disasters	13
Measure 1.6. Development of water, wastewater and solid waste management infrastructure	19
Measure 1.7. Preserving and promoting cultural heritage	21
Measure 1.8. Preserving and promoting natural heritage (national parks, strict nature reserves, protected areas of other categories)	22
Priority 2. Support to SMEs, growth-oriented sectors of economy and export promotion	23
Measure 2.1. Support to Enterprises, including SMEs	23
Measure 2.2. Support to innovation	25
Measure 2.3. Support to strategic sectors: Tourism	27
Measure 2.4. Support for strategic sectors: Agriculture	31
Measure 2.5. Export promotion	34
Measure 2.6. Promotion of inward investment	35
Priority 3: Development of Human Capital	36
Measure 3.1. Increasing the quality of general education	36
Measure 3.2. Improving the vocational education system	38
Measure 3.3. Increasing the quality of higher education system and increasing accessibility to higher education	39
Measure 3.4. Support to research sector	40
Measure 3.5. Increasing accessibility of labor market	41
Measure 3.6. Promoting integration of vulnerable groups	44
Measure 3.7. Social inclusion	44
Priority 4: Promoting local development and supporting specific territories based on their endogenous development	45
Measure 4.1. Support to implementation of regional development strategy: development of small scale technical and social infrastructure	45
Measure 4.2. Rural development	47
Measure 4.3. Measure for reimbursement of costs of natural gas supplied to high-mountain settlements of Dusheti municipality and Kazbegi municipality	47
Measure 4.4. Development of Anaklia Port Area	48
Priority 5. Increasing quality and effectiveness of regional development institutions, preparing regional development programme for the pilot regions	48
Section II: Analysis of Achieved Results	52
Section III: Recommendations related to Implementation of Measures	55

Introduction

Regional Development Programme of Georgia 2018-2021” (RDP) was adopted by the Government of Georgia on June 11, 2018. The Programme is a medium-term government document, which defines general goals, objectives, and respective priorities and measures of regional development policy of Georgia for the period of 2018-2021.

The Programme provides a consistent framework for public and private investments that support regional development, it allows stakeholders to concentrate and coordinate resources at the regional level according to the unified strategy, in order to achieve highest level of effectiveness of intervention.

The program outlines measures that will have a clear territorial impact on regional development. The program identifies sources of funding for measures, both from state budget and non-budgetary (e.g. funded by international donors and development partners).

The overall goal of the programme is to support increasing competitiveness of the country and its regions, balanced social-economic development and improving living conditions on the territory of the whole country, reducing regional disparities, and territorial development. Overall goal involves achievement of **three specific objectives**:

- 1. Supporting rapid economic growth**, by systemic exploitation of Georgia’s comparative advantages in the dynamic international context, by using the potential of relevant territorial units at the various levels of governance, and by eliminating barriers hindering the process of development;
- 2. Sustainable development**, safe rehabilitation and expansion of infrastructure, energy and communication networks and public utilities;
- 3. Support to overcoming social and territorial disparities** – creating equal opportunities for every citizen, despite their social background and place of residence.

In order to achieve the above-mentioned objectives, the Programme uses the structure based on **five priorities**:

- 1.** Improvement of key infrastructure supporting competitiveness and sustainable development of the country and its regions;
- 2.** Support to SMEs, growth-oriented sectors of economy and export promotion;
- 3.** Support to development of human capital;
- 4.** Promoting local development and support to specific areas based on their endogenous development;
- 5.** Increasing the quality and effectiveness of regional development institutions and preparation of pilot regional development programmes.

These priorities imply implementation of integrated territorial investment measures, which should be aimed, on the one hand, at effectively meeting the various needs of different areas, and, on the other hand, at maximizing the specific capabilities of these areas. This should be achieved through regional development programs that bring together different sectors as well as existing resources and efforts in different areas.

Regional Development Programme (RDP) 2018-2021 monitoring report for the year 2020

was prepared by the Department for Regional and Mountain Development of the Ministry of Regional Development and Infrastructure of Georgia, based on the information provided by the relevant state agencies, line ministries and subordinate bodies.

The RDP Annual Consolidated Monitoring Report for 2020 includes information on the progress of the implementation of the measures and the results achieved.

The structure of the monitoring report is as follows: the first part presents physical and financial progress of RDP implementation with reference to each measure; the second part analyzes achieved results; The third part of the document describes shortcomings and presents recommendations related to implementation of measures.

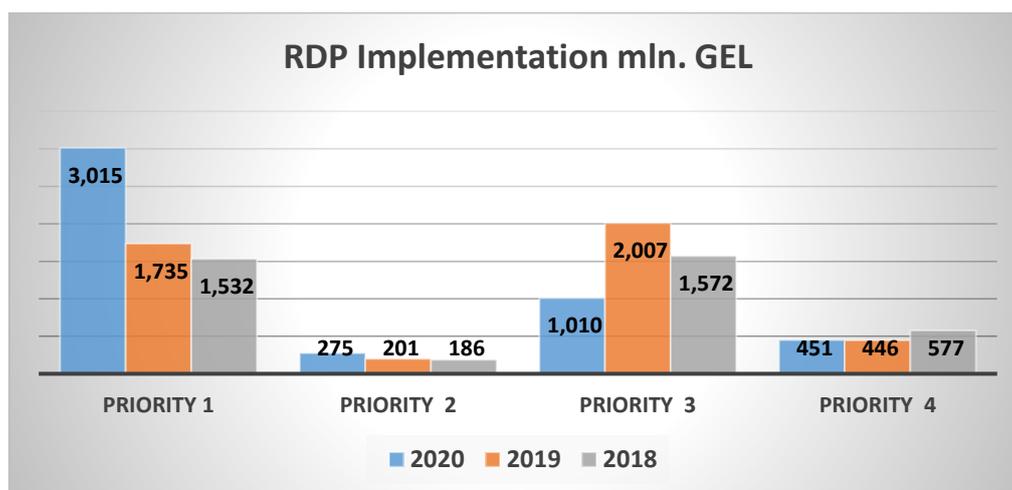
Impact of the COVID 19 pandemic on the Georgian economy in 2020

The COVID-19 pandemic, which began in 2020, triggered an unprecedented global economic crisis, which has primarily reflected in the decline in international traffic and related economic activities. The situation formed as a result of the pandemic turned out to be critical, especially for Georgia, a country with small economy and dependence on tourism.

The COVID 19 pandemic had negative impact on the Georgian economy starting from February 2020. As a result of the declaration of a state of emergency in March and the closure of the borders, the entry of foreign visitors to Georgia and revenues from tourism were virtually suspended. As a result, if in 2019, the share of tourism in GDP was 12%, in 2020 this figure reduced to 2%. This has also had a negative impact on real GDP growth. Overall, real GDP decreased by 6.2 percent in 2020. In 2020, there was a significant decline in the economic sectors in which foreign visitors participated. The real growth of the accommodation and food supply sector was -37.9 percent, the real growth of real estate activities was -0.1 percent; Transport - 22.3 percent. In the 6.2 percent decrease in real GDP, -3 percentage points is the share of the decrease in these sectors. The negative impact of the pandemic on the growth of unemployment in various areas of tourism-related services has also been observed. Overall, by 2020, the unemployment rate increased by 3.8 percentage points and consisted 20.4%.

As a result of the crisis, the industrial and agricultural sectors were relatively less affected. Despite the pandemic, infrastructural projects were actively implemented. It is at the expense of infrastructural projects that the level of direct investments in 2020 decreased only by 2.1%. Activity was maintained in the manufacturing industry, where the number of export-oriented enterprises is high. Agricultural sector increased for 13%.

Brief review of financial performance of the programme in 2020



In 2020, the expenditures on **the first priority** of the program - "Improvement of key infrastructure supporting competitiveness and environmental sustainability of the country and regions" has significantly increased, as the implementation of large infrastructural projects has not been postponed in the country despite the restrictions, a total of more than 3 billion GEL was spent on this programme priority in 2020 (63% of the total program cost). Expenditures on the development of the E60 and E70 international transport corridors and other motorways amounted to 1.6 billion GEL, while in addition to transport corridors 767 million GEL was spent on the development of other strategic transport infrastructure. This figure is much higher than in 2018-2019 despite the regulations introduced as a result of the pandemic.

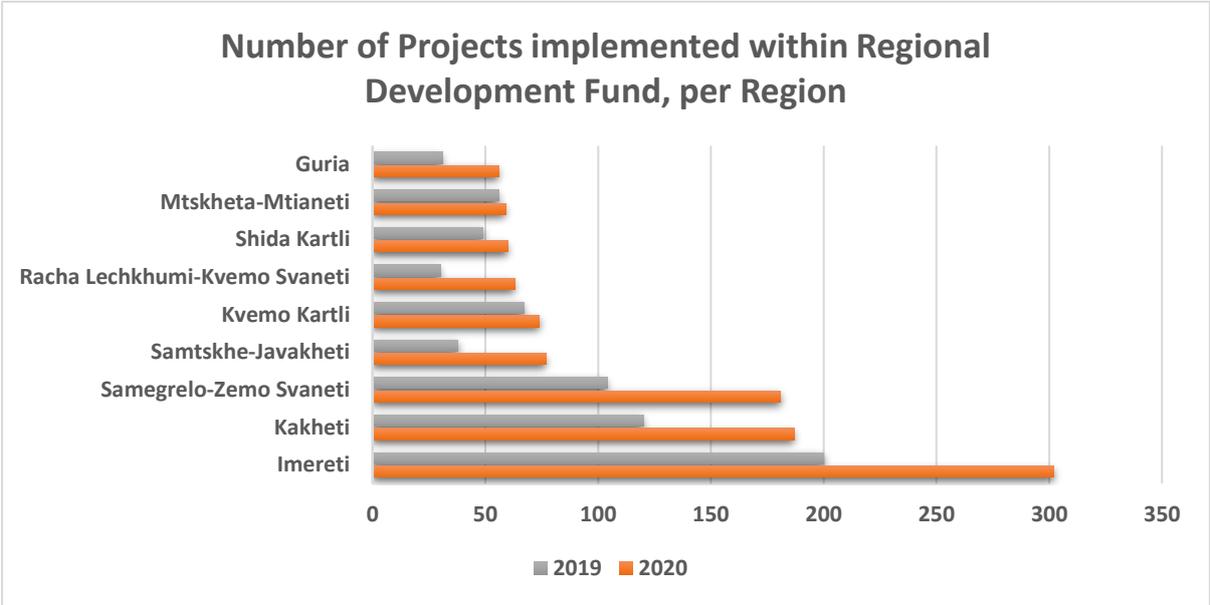
Within **Priority 2** of the programme, which focuses on implementation of activities for Support to SMEs, growth-oriented sectors of economy and export promotion, activities related to crowded meetings and travel abroad have been postponed. At the same time, some events were transferred to an online format. Hence, the expenditures on this priority in 2020 exceeded the expenditures of the previous years of the program and amounted to GEL 275 million, which is 97% of the target.

As a result of the pandemic, in 2020 the costs of implementing the **3rd priority** of RDP "Improvement of Human Capital" were reduced compared to previous years. Most of the trainings under this priority were shifted and conducted in online mode thus reducing costs. Some events were canceled altogether. However, implementation of infrastructural projects in the education system continued. The implementation of measures under this priority has suffered the most from the regulations introduced as a result of the pandemic, although the reduced implementation rate is partially due to the reduced costs of shifting of the measures to online mode. In total, about one billion GEL was spent under the third priority, which is 78% of the target.

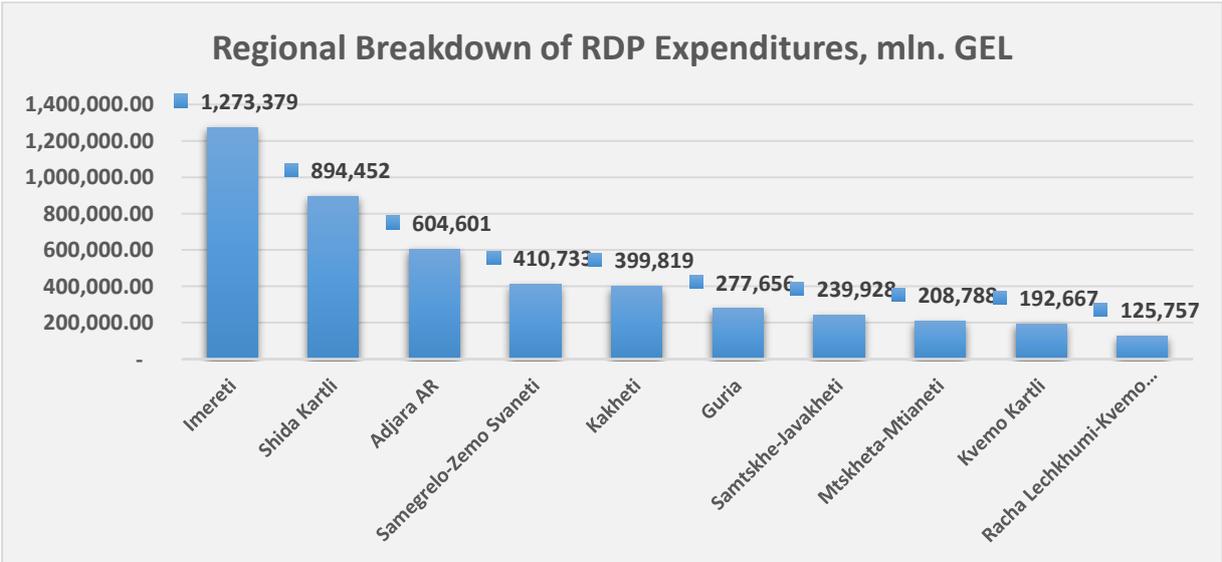
In 2020, within implementation of activities under **the 4th priority** "Promoting local development and support to specific areas based on their endogenous development", despite the pandemic, more projects were implemented than in previous years. The number of implemented projects consisted 1059. Accordingly, compared to previous years, state budget

funding has increased to 360 million GEL.

Compared to 2019 In 2020, the number of infrastructure projects implemented under the Municipal Development Fund increased in all regions. In addition, within activities of Priority 4, the Municipal Development Fund (MDF) implemented small infrastructure projects and roads of local importance in the regions. A total of 15 million GEL was spent on the implementation of projects under the MDF.



In terms of **regional breakdown**, the largest expenditures under the program were made in Imereti and Shida Kartli, which is related to the implementation of large infrastructural projects, in particular the construction of the E60-70 motorway.



A detailed description of the analysis of the programme implementation progress made according to the priority measures, achieved physical and financial results is provided in the first section of this report.

Section I: Analysis of the progress achieved by measures envisaged under the priorities

Priority 1. Improvement of key infrastructure supporting competitiveness and environmental sustainability of the country and its regions

Measure 1.1. Improvement of international and national road infrastructure

In 2020, contracts were signed for 297 projects, of which, in the same year, works were completed on 148 projects.

Within the highway construction projects, in 2020 construction works were underway on 130 km and 14 sections in the eastern and western parts of the country. In 2020, 601.2 km of roads and 20 bridges were rehabilitated and periodically repaired, and 15 new bridges were constructed. The funds absorbed for the rehabilitation of roads and artificial structures amounted to 421.2 million GEL.

71.3 million GEL was allocated from the state budget of Georgia for the current repair (maintenance) of roads in 2020. and the same amount was spent.

Ongoing repairs (including winter maintenance) were carried out on up to 6,000 km of roads of international and local by tender-winning contractor organizations.

In 2020, riverbank protection works were carried out at 34 locations. From there, the works on 26 objects have been completed. The amount allocated for riverbank protection works amounted to 13.4 million. GEL

Regional breakdown of the activities implemented in 2020 looks as follows:

- Rehabilitation and periodic maintenance works were carried out on 8.5 km, at different sections of roadway in the Autonomous Republic of Adjara;
- Rehabilitation and periodic maintenance works were carried out on 57.2 km, at different sections of roadway in the region of Guria. 4 riverbank protection projects were completed;
- Rehabilitation and periodic maintenance works were carried out on 56.8 km, at different sections of roadway in the region of Imereti. 4 riverbank protection projects were completed;
- Rehabilitation and periodic maintenance works were carried out on 74.9 km, at different sections of roadway in the region of Kakheti. 1 riverbank protection project and 1 liquidation of consequences of the natural disasters and prevention project was also completed;
- Rehabilitation and periodic maintenance works were carried out on 75 km, at different sections of roadway in the region of Racha-Lechkhumi and Kvemo Svaneti. 5 riverbank protection projects and 3 liquidation of consequences of the natural disasters and prevention projects were also completed;
- Rehabilitation and periodic maintenance works were carried out on 100.2 km, at different sections of roadway in the region of Samegrelo-Zemo Svaneti. 9 riverbank protection

projects and 1 liquidation of consequences of the natural disasters and prevention project was also completed;

- Rehabilitation and periodic maintenance works were carried out on 59.2 km, at different sections of roadway in the region of Samtskhe-Javakheti. 1 liquidation of consequences of the natural disasters and prevention project was completed;
- Rehabilitation and periodic maintenance works were carried out on 58,7 km. at different sections of roadway in the region of Kvemo Kartli, 2 riverbank protection projects were completed;
- Rehabilitation and periodic maintenance works were carried out on 25,7 km, at different sections of roadway in the region of Shida Kartli, 1 riverbank protection project and 1 liquidation of consequences of the natural disasters and prevention project was also completed.
- Rehabilitation and periodic maintenance works were carried out on 84,9 km, at different sections of roadway in the region of Mtskheta-Mtianeti.

Table of output indicators

Output indicators	Measurement Unit	2020	
		Target	Actual
Length of international and national roads constructed	km	30	32
Rehabilitation and periodic maintenance works carried out on roadways	km	350	601.2
Number of bridges constructed and rehabilitated	quantity	40	35

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual (thousand GEL)	Achievement (thousand GEL)
1.1.1 Improvement of international and national roads	25 02 03	920,325	920,325	100
1.1.2. Development of other than road strategic transport infrastructure	25 02 02 01;08;09;10;11;12;15; 16;17;18;20; 25 03 03; 04; 05	725,861	725,861	100

Measure 1.2. Development of strategic transport infrastructure other than roads

In 2020, within the framework of the modernization project, 14.5 million GEL was spent with the financial resources of JSC "Georgian Railway". Of this amount, 1.5 million GEL was spent on the purchase of property affected by the project and 13 million GEL on construction work and technical supervision. During the reporting period, many projects were developed: JSC "Georgian Railway" successfully completed the construction of a significant part of artificial structures on the Khashuri-Zestaponi (Imereti) section (construction works of bridges, retaining walls and culvert pipes). Rehabilitation works of the 9th (length 8300 m), the 11th

and 7th tunnels were underway. The handover process of 2 tunnels (10th and 12th) has been completed. Also, a significant part of the construction of the railway embankments has been completed, in particular, the Dzirula-Shorapani section and the railway embankment works required for the provision of a temporary railway track for the Moliti station.

The length of the railway built in 2020 is 4.5 km. Up to 96% of the contractual obligations under the contract were fulfilled in 2020. Also, within the framework of the modernization project during 2021, the construction of 3 new stations (Kvishkheti, Moliti and Dzirula) is planned.

During the reporting period, modernization and repair works of 7 stations and depots were also carried out (a total of 0.714 million GEL was spent).

Table of output indicators

Output indicators	Measurement Unit	2020	
		Target	Actual
Length of railway modernized/expanded and constructed	km	4,5	4,5

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual (thousand GEL)	Achievement (thousand GEL)
1.2.1. Modernization project of Tbilisi-Makhinjauri main railway line Zestafoni-Kharagauli; Moliti-Kvishkheti (including improvement of infrastructure, optimization of stations and depots, optimization of freight and passenger trains and purchase of new trains)	N/A	14,472	14,472	100

Activity 1.2.3 Development of airport infrastructure, including arrangement of additional infrastructure

In 2020, despite numerous obstacles caused by the pandemic, the expansion of the Kutaisi International Airport (Imereti) named after David Agmashenebeli was almost completed. In particular, the arrangement of the engineering systems of the terminal was completed, as well as the insulating works of the terminal.

In fact, the internal repair works of the new part of the terminal have been completed, as well as the tender procedures required for the purchase of equipment. A guide was arranged in the new part of the terminal. Contracts have already been signed for the arrangement and maintenance of the various systems required for the airport, including passenger announcement system, flight schedule screens, and so on. In 2020, the installation of the luggage management system was also completed. Connection of new and existing parts of the terminal was underway, as well as internal repair of the existing terminal. In 2020, the conceptual design of the landscape was completed, the first phase of which was implemented

during the same period. In total during the reporting period, 38.4 million GEL was absorbed under the terminal expansion project.

Activity 1.2.5. Developing Logistics Centers of Tbilisi and Kutaisi

The winning company in the expression of interest announced for the development of logistics centers in Tbilisi and Kutaisi on November 15, 2017 could not be identified. In the case of Kutaisi Logistics Center, the selection process was suspended in October 2018, since none of the candidates applied for the second stage (RFP). Regarding the Tbilisi Logistics Center, in July 2019, the selection commission decided to disrupt the selection process, as the last candidate failed to meet the tender requirements despite several deadlines. In particular, the mandatory legal requirements were not met and the presented financial model did not meet the conditions of the invitation. At the same time, additional requirements submitted by the candidate went beyond the limits set by the terms of the invitation and the prepared technical-economic substantiation. During the reporting period, no specific activities were implemented in connection with the Logistics Center's project. Given the current situation, at the initial stage, support for the construction of relatively smaller logistics centers in both eastern and western Georgia is being considered.

Measure 1.3. Development of broadband infrastructure

LEPL - "Georgian Agency for Innovation and Technology" implements the program "Internet Development", the main purpose of which is to increase Internet access in the regions of Georgia. In 2020, within the framework of the mentioned program, the fee for internet connection for socially vulnerable families was reimbursed in the high mountain settlements through a voucher (150 GEL voucher). As for digital literacy trainings, these trainings were no longer implemented under this program, as it was planned to be completed by the end of 2019. Also, for the same reason, the voucher program for small entrepreneurs was no longer implemented. In 2020, a total of 503 vouchers were used with the total budget 126,305 GEL. The number of vouchers was distributed by regions as follows: AR of Adjara - 296; Imereti - 7; Kakheti - 3; Mtskheta-Mtianeti - 60; Racha-Lechkhumi - Kvemo Svaneti - 84; Samegrelo-Zemo Svaneti - 33; Samtskhe-Javakheti - 3; Kvemo Kartli - 16; Shida Kartli - 1.

The Government of Georgia approved the National Broadband Network Development Strategy 2020-2025 and Action Plan for its Implementation by the Government of Georgia Decree N60 of 10 January 2020, elaborated by the Ministry of Economy and Sustainable Development within the framework of the EU Digital Harmonization Project HDM / EU4Digital, and with World Bank expert assistance.

Amendments were made to the Government of Georgia Resolution №375, July 28, 2016 "On Approval of the State Program for Broadband Infrastructure Development in Georgia" due to the change of the program model and the definition of the pilot region. At the same time, the state program was aligned with the goals of the "National Strategy for the Development of Broadband Networks of Georgia 2020 - 2025". The selection of the pilot region of the program was assigned to the commission established by the Ministry of Economy and Sustainable Development of Georgia, as well as representatives of the Ministry, the Georgian National Communications Commission and the Open Net,

Who selected the pilot region - Ozurgeti Municipality, taking into account the selection criteria of the program pilot area and the number of settlements/population in the target geographical areas of the white zone, as well as the possibility of implementation of the project in a short time, where the construction of the network has already started (constructed infrastructure: 140 km). The deadline for completion of the project is February 2021.

In order to implement the main directions of the Georgian National Broadband Network Development Strategy 2020 - 2025, the “Log-in Georgia” project was launched with the World Bank. On August 31, 2020, an agreement was signed with the World Bank to increase high-speed Internet access throughout the country. The project "Log-in Georgia" consists of three components: 1. Increased broadband internet access; 2. Promoting the use of digital services related to high-speed Internet 3. Supporting the implementation of the project. By increasing the coverage of villages with high-speed internet, as well as through training and capacity building programs across the country, the project will facilitate the use of digital services. The project will promote digital financial services and e-commerce, as well as government e-services. In addition, the project will support the development of distance learning and telemedicine. moreover, the project envisages improving policies and regulatory frameworks to facilitate access to broadband services so that telecom operators can provide high-quality Internet service to residents at a low cost. At the same time, special activities will be implemented in the target settlements to promote the use of the Internet and digital services by women, ethnic and social minorities and people with disabilities.

In order to provide internet to the mountainous regions of the country, where the population is less than 200 inhabitants and is not included in the target geographical areas defined by the “State Broadband Infrastructure Development Program in Georgia”, implementation of community internet support activities was continued, in particular in the mountainous settlements of the AR of Adjara.

During the reporting period, the coverage of the “shadow zones” of the Pshav-Khevsureti and Gudamakari community internetization project was completed, as a result 18 IP telephones were installed in the households.

Table of output indicators

Output indicators	2020		
	Measurement Unit	Target	Output indicators
1.3. Draft law for the development of broadband networks “On sharing telecommunication infrastructure and physical infrastructure used for telecommunication purposes” elaborated and adopted	Quantity	1	1

Table of Financial Indicators

Activity and sub-activity of the programme measure	2020			
	Budget code	Target (thousand GEL)	Actual (thousand GEL)	Achievement (thousand GEL)
1.3.1. Internet for Development - Reimbursement of internet connection fee for 1,500 socially vulnerable families living in the mountainous regions of Georgia through a voucher (150 GEL voucher). Also, training of 1,000 micro, small and medium entrepreneurs operating in the regions of Georgia in electronic commerce, electronic business and electronic governance.	24 1	6,800	6,800	100

Measure 1.4. Improvement of energy infrastructure and expanding renewable energy potential

The Ministry of Economy and Sustainable Development of Georgia, as well as the Georgian Gas Transportation Company Ltd., in cooperation with the Ministry of Regional Development and Infrastructure of Georgia and municipalities, have developed a gasification plan for the regions of Georgia for 2019-2021. The plan was approved by the Government of Georgia decree № 791 of April 5, 2019. Proposals were prepared in accordance with paragraph 9 of the ordinance and relevant changes were made, as a result of which the three-year plan envisages the work required to gasify 88,363 potential customers in 384 settlements. According to preliminary estimates, the total cost of design and construction works required for gasification is 239 million GEL.

Work was carried out during 2020 according to the above plan, in particular, the unfinished works provided in the 2019 plan were completed and the gasification of the settlements planned for 2020 was started.

The activity envisaged gasification of additional 31,801 (as a result of the changes - 45,612) potential customers. By the end of the year, 36,693 potential customers were able to connect to the natural gas supply network (of which: 4,962 customers - within the framework of the 2019 plan, and 31,731 customers - within the framework of the 2020 plan).

In 2020, for the activities implemented within the measure, the forecast budget was set at 60 million GEL, the absorption of which amounted to 100%. In 2020, gasification construction and installation works were carried out in all regions under Georgian jurisdiction. By the end of 2020, under the program (2009-2020) 452,890 potential customers had access to the natural gas supply network.

Region	Estimated amount of customers	Estimated cost (million GEL)	Length of gas pipelines
Adjara AR	5,913	19	341,397
Guria	7,855	16,9	448,373

Region	Estimated amount of customers	Estimated cost (million GEL)	Length of gas pipelines
Imereti	4,769	16,1	312,008
Kakheti	1,390	3,1	79,640
Mtskheta-Mtianeti	1,447	11,2	135,806
Racha-Lechkhumi and Kvemo Tskhaneti	1,053	3,2	65,543
Samegrelo-Zemo Svaneti	9,781	22,6	586,365
Samtskhe-Javakheti	929	3,3	76,678
Kvemo Kartli	2,158	6,7	145,021
Shida Kartli	1,398	2,7	61,683

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual achievement (thousand GEL)	Achievement (%)
1.4.1. Improvement of electricity and gas supply to population	24 15	60,000	60,000	100
1.4.2 Rehabilitation project of Enguri and Vardnili hydro-electric power stations (EIB, EU)	24 13 01	32,000	39,445	123
1.4.3 Developing electricity network of systemic importance	24 14	15,000	9,817	65
1.4.3.1 Construction of Akhaltsikhe-Batumi line (ADB, IBRD, WB)	24 14 01 01	10,000	5,276	53
1.4.3.2 Construction of Jvari-Khorga electricity network (EBRD, EC, KfW, WB)	24 14 02 02	5,000	2,085	42

Measure 1.5 Improvement of infrastructure for protection from natural disasters

Riverbank protection and prevention works against natural disasters

In 2020, works to prevent natural disasters were carried out at 16 locations, of which 6 were completed.

The National Environment Agency in 2020 conducted the following activities:

Guria Region:

- Observations were made on a daily basis at 6 hydrometeorological stations and checkpoints in the region;
- Snow measurement works were carried out on route 1 to compile the spring flood forecast.

- Warnings were prepared and provided to decision makers and the media about impending natural hydrometeorological events in the region;
- Based on letters received from various municipalities, agencies and individual citizens, 18 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 272 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- 68 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 129 settlements were assessed;
- for Guria region Geological Bulletin "Results of Development of Natural Geological Processes in 2019 and Forecast for 2020" was prepared;
- Receiving and controlling data from automatic groundwater monitoring stations was ongoing;
- A GIS database and catalog/cadaster of geological hazards have been prepared for river Supsa and Natanebi basin.

Imereti Region:

- Observations were made on a daily basis at 21 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision makers and the media about impending natural hydrometeorological events in the region;
- Snow measurement works were carried out in the mountainous regions to compile the spring flood forecast.
- Based on letters received from various municipalities, agencies and individual citizens, 167 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 267 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- 137 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 256 settlements were assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Imereti region.

Kakheti Region:

- Observations were carried out on a daily basis at 18 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision-makers and the media about impending natural hydrometeorological events in the region;
- Snow measurement works were carried out on 2 routes to compile the spring flood forecast.
- Based on letters received from various municipalities, agencies and individual citizens, 9 visual engineering-geological conclusions were drawn up regarding the activation of

natural disasters, in which the geodynamic condition of 13 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;

- 17 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 13 settlements were assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Kakheti region.
- Geological maps of Kakheti region (sheets: K-38-XXII; K-38-XXIII; K-38-XXVIII; K-38-XXIX) were published, with the relevant report;
- In the framework of the program "Compilation of State Geological Maps (Geological Planning)" in Tusheti field geological surveys were conducted and based on the received information stock (historical) geological data was processed;
- Receiving and controlling data from automatic groundwater monitoring stations was ongoing;

Mtskheta-Mtianeti Region:

- Observations were carried out on a daily basis at 21 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision-makers and the media about impending natural hydrometeorological events in the region;
- Snow measurement works were carried out on 2 routes to compile the spring flood forecast.
- 73 special warnings were issued on the Gudauri-Kobi section about the expected snow avalanches.
- Based on letters received from various municipalities, agencies and individual citizens, 4 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 5 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- 88 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 4 settlements were assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Mtskheta-Mtianeti region.
- Receiving and controlling data from automatic groundwater monitoring stations was ongoing;

Racha-Lechkhumi-Kvemo Svaneti region:

- Observations were carried out on a daily basis at 18 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision-makers and the media about impending natural hydrometeorological events in the region;
- Snow measurement works were carried out on 2 routes to compile the spring flood forecast.

- Based on letters received from various municipalities, agencies and individual citizens, 38 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 161 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- 93 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 118 settlements were assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Racha-Lechkhumi-Kvemo Svaneti region.

Samegrelo-Zemo Svaneti region:

- Observations were carried out on a daily basis at 19 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision-makers and the media about impending natural hydrometeorological events in the region;
- Snow measurement works were carried out on 2 routes to compile the spring flood forecast.
- In the framework of the project "Strengthening Climate Change Adaptation Capacities in Georgia" (GCF, UNDP / SDC), field works planned for 2020 were carried out on Enguri and Khobistskali, floodplains of rivers were constructed.
- In order to identify avalanche-prone areas, within the framework of the same project, the Enguri and Khobistskali basins and the following communities of Mestia and Tsalenjikha municipalities were studied through field works: Mtsvrimi, Ifari, Kala, Ushguli, Mulakhi, Mestia, Lengeri, Latali, Bechra, Nakho, Tschu Fari, Lakhamula, Chuberi, Idliani, Khaishi, Chale and Pakhulani. A group of three specialists took part in the field work. The main activities carried out are: identification of snow-covered areas in the field and collection of necessary data; Fixing of GPS coordinates; Determining the characteristics of a snowmobile area; photographing. The DJI Matrice 210 RTK V2 quadcopter was used for the initial identification of the dangerous areas and after further analysis, aerial shooting was planned using the drone eBeeX RTK of the Swiss company Sensefly. An area of 500 hectares was surveyed. During the photographing works, the collected information will be processed, a digital elevation model (DEM) and aerial images will be created, which will be used in the preparation of snow avalanche hazard maps.
- Based on letters received from various municipalities, agencies and individual citizens, 45 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 153 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- 365 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 97 settlements were assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Samegrelo-Zemo Svaneti region.

- As a result of field geological surveys in the river Enguri basin, 1188 different types of geological processes have been identified (landslide - 664, mudslide - 171, rock-fall - 238, river bank washing (erosion) - 110, area erosion - 3; sloping - 2);
- As a result of field geological surveys in river Khobistskali basin, 597 different types of geological processes have been identified (landslide - 338, mudslide - 11, rock-fall - 2, river bank washing (erosion) - 241, area erosion - 5);
- Receiving and controlling data from automatic groundwater monitoring stations was ongoing.

Samtskhe-Javakheti region:

- Observations were carried out on a daily basis at 9 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision-makers and the media about impending natural hydrometeorological events in the region;
- Snow measurement works were carried out on 3 routes to compile the spring flood forecast;
- Based on letters received from various municipalities, agencies and individual citizens, 9 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 22 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- 71 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 18 settlements were assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Samtskhe-Javakheti region.

Kvemo Kartli region:

- Observations were carried out on a daily basis at 12 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision-makers and the media about impending natural hydrometeorological events in the region;
- Snow measurement works were carried out on 2 routes to compile the spring flood forecast;
- 19 settlements were assessed to monitor natural geological processes;
- Based on letters received from various municipalities, agencies and individual citizens, 1 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 1 household, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 1 settlement was assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Kvemo Kartli region.

- Receiving and controlling data from automatic groundwater monitoring stations was ongoing.

Shida Kartli region:

- Observations were carried out on a daily basis at 3 hydrometeorological stations and checkpoints in the region;
- Warnings were prepared and provided to decision-makers and the media about impending natural hydrometeorological events in the region;
- Based on letters received from various municipalities, agencies and individual citizens, 12 visual engineering-geological conclusions were drawn up regarding the activation of natural disasters, in which the geodynamic condition of 39 households, homestead land and the surrounding area was assessed by determining the risk of natural disasters and appropriate recommendations were issued for emergency measures;
- 61 settlements were assessed to monitor natural geological processes;
- As a result of extreme activation of natural geological processes (landslides, mudslides, rock falls, etc.), 12 settlements were assessed;
- Geological bulletin "Results of the development of natural geological processes in 2019 and forecast for 2020" was prepared for the Shida Kartli region.
- Receiving and controlling data from automatic groundwater monitoring stations was ongoing.

Table of output indicators

Indicator	Measurement Unit	Target	2020
The length of the protected riverbanks; Number of coastal management works	km	30	26
Number of constructions built for protection from natural disasters (excluding monitoring stations); prevention works against natural disasters (excluding monitoring stations)	Quantity	10	6

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousd. GEL)	Actual achievement (thousd. GEL)	Achievement (%)
1.1. Coastal management works for riverbanks and seashores	25 02 02 07. MDF 25 03 02	371,266.	371,266	100
1.5.2. Construction/arrangement of infrastructure protecting from natural disasters	25 02 02 05	8,000	8,000	100

1. .5.3 Expansion / creation of a standard and specialized network for monitoring of hydrometeorological parameters and geological hazards, including: A) Development of radar network for monitoring weather conditions B) Improvement of telecommunication system for the collection and distribution of hydrometeorological monitoring data on national and international level C) Expansion of the monitoring network, including instrumental monitoring of settlements and infrastructural sites at the geologically dangerous areas (landslide, mudflow, etc.)	34 01 01	9,950	2,670	26.83
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Measure 1.6. Development of water, wastewater and solid waste management infrastructure

In 2020, contracts were signed for 63 projects out of the tenders announced by the United Water Supply Company of Georgia, with a total contract value of GEL 353.6 million. Out of these, only 4 projects were completed in the same year with a total cost of 8.9 million GEL. Below is a list of ongoing projects in the regional breakdown.

- In Guria region - 3 projects (total contract value is 10.1 million GEL);
- In Imereti region - 9 projects (total contract value 24.2 million GEL);
- In Kakheti region - 21 projects (total contract value 139.7 million GEL);
- In Mtskheta-Mtianeti region - 5 projects (total contract value 9.4 million GEL);
- In Samegrelo-Zemo Svaneti region - 7 projects (total contract cost 18.5 GEL);
- In Samtskhe-Javakheti region - 5 projects (total contract value 30.1 GEL);
- In Kvemo Kartli region - 5 projects (total contractual Cost 107.6 GEL);
- In Shida Kartli region - 4 projects (total contract value 4.8 million GEL);
- No projects were implemented in Racha-Lechkhumi Kvemo-Svaneti region in 2020. The implementation of the project will start in May 2021 and includes design and construction of the main pipe protection works of City Oni, Zhizhoreti Headquarters.

Table of output indicators

Output indicator	2020		
	Measurement Unit	Target	Actual
Number of water supply projects implemented	Quantity	57	4
Number of wastewater projects implemented	Quantity	6	0

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2019		Achievement (%)
		Target (thousand GEL)	Actual achievement (thousand GEL)	
1.6.1 Modernization and development of water and wastewater network, including construction and rehabilitation of treatment plants.	25 04 04; 06; 08; 05; MDF 02; 03	77,141	77,141	100
1.6.2 Solid waste management system development (closing old, construction of new regional landfills according to the international standards)	25 05, 56 13 03	21,020	19,820	94.29

Pandemic-related restrictions have hampered work and affected project completion deadlines. Also, in some cases, a deterrent was an incorrectly elaborated project design. Identifying deficiencies during the works led to the project being delayed and eventually extended, which required additional effort on the part of the client, the engineer and the contractor. Due to the fact that the relevant settlements were being developed, it became necessary to carry out new works, which also required additional time. The bad weather also was the hindrance factor.

Solid waste management

In 2020, rehabilitation works were carried out on landfills in Samtredia, Sachkhere, Terjola (Imereti), Khashuri (Kvemo Kartli), Lagodekhi, Sagarejo (Kakheti), Dusheti (Mtskheta-Mtianeti). Rehabilitation of landfills in Tkibuli (Imereti), Marneuli (Kvemo Kartli) and Kaspi (Shida Kartli) has been completed.

Implementation of projects funded by international organizations

Kutaisi Integrated Solid Waste Management Project (EU, KFW) - Budget Code 25 05 02

The project envisages the introduction of an integrated solid waste management system in 3 regions of Georgia, namely: Imereti, Racha-Lechkhumi and Kvemo Svaneti. The project envisages construction of a new regional landfill near Kutaisi, and closure of the existing old one, arrangement of 6 waste transfer stations and equipping the municipalities with appropriate technical means. It should be noted that the local population expressed dissatisfaction with the planned location of the landfill, which led to the preparation of Site Selection Report and a Project Roadmap, where the current situation was assessed, the future development prospects of the project were analyzed and necessary steps for the implementation of the project were identified. A tender for a new contractor company has also been announced, which should be completed in 2021, while the construction of a landfill in a new location is scheduled for 2023.

Kvemo Kartli Solid Waste Management Project (EBRD) - Budget Code 25 05 03

The project envisages the construction of a new landfill in Kvemo Kartli, which will serve 5 municipalities in the region, namely: Tsalka, Dmanisi, Tetrtskaro, Marneuli and Bolnisi. The mentioned municipalities will be equipped with the necessary technical means. Within the framework of the project, a scoping report was prepared and submitted to the Ministry of Environment Protection and Agriculture of Georgia for consideration, and after the review, the preparation of a report on the environmental impact assessment and detailed design of the new regional landfill will be commenced. The completion of construction of the landfill is scheduled for the end of 2023.

Kakheti and Samegrelo-Zemo Svaneti Integrated Solid Waste Management Project - Budget Code 25 05 04

The project includes the introduction of an integrated solid waste management system in the Kakheti and Samegrelo-Zemo Svaneti regions, which includes the construction of new landfills and the closure of old landfills in the regions, also, arrangement of waste transfer stations, equipping municipalities with the necessary technical means, arrangement of composting plant in Kakheti region and implementation of a pilot project for waste recycling.

As a result of the feasibility study in Kakheti region, due to the need to change the selected construction area (due to the protest of the local population), a Site Selection Report was carried out and a relevant preliminary report was developed.

For the Samegrelo-Zemo Svaneti region, a scoping report was prepared by the implementing consultant, a public discussion of the document was held and a scoping report was issued by the Ministry of Environment and Agriculture. Preparation of environmental impact assessment report has been initiated. Also, the concept of closing of the existing landfill in Zugdidi was prepared. A logistics model for waste reloading and transportation was being developed in Zugdidi, detailed design of non-hazardous waste disposal site and preparation of tender documents for the selection of a construction company have been commenced. The construction of Samegrelo Zemo Svaneti regional landfill is planned to be completed by the end of 2023, and Kakheti - in 2024.

Measure 1.7. Preserving and promoting cultural heritage

In 2020, 11 LEPLs (museums, house-museums) were funded in Kakheti, Imereti and Kvemo Kartli.

In 2020, project and pre-project documentation for the rehabilitation of 31 Georgian cultural heritage monuments was prepared in the following regions: Kakheti, Samegrelo-Zemo Svaneti, Shida Kartli, Samtskhe-Javakheti, Mtskheta-Mtianeti and Imereti.

Agreements have been signed with Kvemo Kartli (Bolnisi Municipality) and Mtskheta Mtianeti (Dusheti Municipality) municipalities for the preparation of project documentation for the rehabilitation of Georgian cultural heritage specimens, as well as restoration-rehabilitation of Georgian cultural heritage samples, archeological study-conservation of objects and conservation of cultural heritage wall paintings. The restoration-rehabilitation, conservation and archeological study of the monuments planned for 2020 in all the municipalities of the region has been completed.

Table of output indicators

Output indicator	2020		
	Measurement Unit	Target	Actual
Rehabilitation project prepared, monument restored, archeological research-conservation of the implemented sites on cultural heritage samples	Quantity	40	52
Number of rehabilitated museums, exhibitions, restored exhibits, various activities	Quantity	400	600
Number of trained staff in the field of cultural heritage	Quantity	3	0

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual achievement (thousd. GEL)	Achievement (%)
1.7.1. Preserving cultural heritage and improving museum system	33 04	20.94	13.23	63.17
1.7.2. Development of infrastructure and financial sustainability of the culture field	32 07 06	11, 540	8, 983	77.84

Measure 1.8. Preserving and promoting natural heritage (national parks, strict nature reserves, protected areas of other categories)

The target for 2020 was the arrangement of 1 visitor center and exhibition space in protected areas, 1 visitor center and exhibition space in the protected areas were rehabilitated to improve the tourist infrastructure (Kharagauli Visitor Center of Borjomi-Kharagauli National Park. The target indicator for 2020 was the arrangement of 8 ecotourism trails, 8 ecotourism trails were arranged (6 in Borjomi-Kharagauli protected areas, 1 in Ajameti protected area and 1 in Sataplia). The target for 2020 was the renovation of 2 administrative buildings - the administrative buildings of Mtirala National Park and Vashlovani Protected Areas were renovated. The target for 2020 was the preparation of a management plan for the administration of one additional protected area, and in 2020 the management plan of the Algeti National Park was approved.

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual achievement (thousd. GEL)	Achievement (%)
1.8.2. Formation and management of the system of protected areas in Georgia	31 09-31 09 01-11-09-04	1,385	1,385	100
1.8.3. Development of protected areas in Georgia CNF	31 09 04	2,861	2,246	78.54

Priority 2. Support to SMEs, growth-oriented sectors of economy and export promotion

Measure 2.1. Support to Enterprises, including SMEs

National programme of “Produce in Georgia” aims to develop private sector in Georgia and increase accessibility of technical support and finances. Accessibility to the field of national finances includes co-financing of the annual interest rate for 2 years on leasing facilities and/or commercial loans taken for business development.

In 2020, in response to the restrictions imposed by the worldwide pandemic, significant changes were made to the design of the program. In particular, the interest rate on a loan approved by a commercial bank or a lease issued by a leasing company was defined as 3% and 5%, respectively in addition to the refinancing rate of the National Bank. The co-financing period was increased from 24 to 36 months. The amount of loan allowed under the program and the cost of the leased item increased from 5 to 10 million GEL. These changes remained in force until May 31, 2021.

In this direction, during 2020, 50 business projects received support in the field of production (except Tbilisi). Within the framework of industrial (production) projects, the total investment volume exceeds 113 million. Through the program 98.2 million GEL of loans were approved by commercial banks. As a result, loan beneficiaries will create an additional 3,761 new jobs.

It should be noted that the beneficiaries of the industrial direction of the state program "Produce in Georgia", before the changes in the state program, received financial support from the agency for 2 years, therefore, in 2020, beneficiaries supported during previous year also were supported, since 24 months have not passed since approval of their financing. As a result, by 2020, loan interest co-financing was being issued for 81 regional projects. The total amount transferred was 5.15 million GEL.

The purpose of the state program - Credit Guarantee Scheme is to improve access to finance for small and medium-sized businesses that are unable to meet their loan requirements (completely or partially), promote lending to the economy and ensure inclusive economic growth, including Reducing negative economic impact of the COVID-19 pandemic and promoting economic recovery. To reduce the negative consequences caused by the pandemic, in 2020 the budget of the scheme was increased from 20 million GEL to 330 million GEL. The amount of guaranteed funds for new loans has increased - from 70% to 90% of the principal

amount. In addition to banks, microfinance organizations were added to financial institutions and it became permissible to restructure and refinance loans under the state program that were issued outside of the state program by commercial banks. Within the framework of the credit guarantee scheme, in 2020, except for Tbilisi, 87 loans to enterprises were approved in the regions. The volume of loans amounted to GEL 74.73 million and 354 people were employed under the projects.

In 2020, within the framework LEPL "Produce in Georgia" in the regional context, the largest amount of money was awarded as a subsidy to the enterprises located in Kvemo Kartli (1.77 million GEL), Mtskheta Mtianeti (0.85 million GEL) and Guria (0.51 million GEL).

Within the framework of the credit guarantee scheme, the highest amount was issued in the following regions: Kakheti (3.01 million GEL), Imereti (2.17 million GEL) and Samegrelo-Zemo Svaneti (1.54 million GEL).

in 2020 from 50 projects in the regions, 20 were new, which means that these enterprises are currently under construction. The state will benefit from their economic activity in 2022-2024 and in case of beneficiaries of the credit-guarantee scheme - in 2021-2022.

The pandemic has hit the world economy, affecting both global corporations and micro, small and medium-sized businesses. Hence, reducing the negative economic impact caused by the pandemic has become a new and major goal of the micro, small and medium-sized grant program. This program includes conducting trainings and issuance of grants.

In 2020, as a result of changes to the state program of micro and small grants, business operating locations were expanded and the program covered the entire country. The maximum amount of grant volume was increased from 20 thousand GEL to 30 thousand GEL. The share of co-financing for new beneficiaries of the program has been reduced from 20% to 10%, and for existing beneficiaries from 50% to 25%. Also, accommodation and tourism service-oriented projects were prioritized, and the program covered funding for more than 300 activities.

The state program of micro and small grants was announced on October 5, 2020 and 20,436 applications were registered within the program, except for Tbilisi, of which 2,938 entrepreneurs went to the training stage. The program was ongoing through 2020, and the selected beneficiaries will be revealed in the second quarter of 2021. Consequently, the program was not completed in 2020, particularly in the area of issuing grants.

In the regional context, Imereti (585 entrepreneurs), Kvemo Kartli (468 entrepreneurs) and Samegrelo-Zemo Svaneti (396) are the leaders in terms of the number of entrepreneurs who have passed to the training stage within the framework of the program.

In 2020, one enterprise located in the Imereti region within a technical assistance (TA) component of the "Produce in Georgia" program, with a total of 10,000 GEL in technical assistance. Through the technical assistance component, training costs are reimbursed, which is important for the human resource development of companies.

Under the **Film Industry Development Promotion Program**, only 1 project was registered in 2020 as the program refinement process began and the program was temporarily suspended. 20% of eligible expenses were reimbursed for 8 projects of previous years (2018-2019), which totaled GEL 7.21 million.

Table of output indicators

Indicator	Measurement Unit	Target	2020
Number of loans issued for SMEs	Quantity	120	137
Number of modernized enterprises, by region	Quantity	40	30
Number of start-ups created, by region	Quantity	20	20

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual achievement (thousd.GEL)	Achievement (%)
2.1.1. Increase access of SMEs to financing, including the component of increasing accessibility for hotels	24 07 02	16,500	14,538	88.11
2.1.4. Promotion of film industry development	24 07 02	7,208	7,208	100

Measure 2.2. Support to innovation

- On May 21 of 2020, Zugdidi (Samegrelo-Zemo Svaneti) Technopark and the Academy of Science, Education and Innovative Technologies organized an online webinar on the importance of STEM in schools;
- With the support of the International Labor Organization (ILO), trainings were organised in the regional technoparks entitled: "Start and develop your business". The trainings were attended by about 100 people;
- Innovative startups' camp for students was held in Bakuriani (Samtskhe-Javakheti). The camp is organized by the Georgian Innovation and Technology Agency within the framework of the World Bank "National Innovative Ecosystem" project;
- Georgian Innovation and Technology Agency conducted a training course for pre-accelerator managers of GITA Innovation Centers in 11 higher education institutions and regions of Georgia;
- The 4th graphic design course in the regions of Georgia was held in 9 target regions of the country with the joint cooperation of the Georgian Innovation and Technology Agency and Geolab. Due to the pandemic situation in the world, the course was planned and conducted entirely remotely. As part of the online courses, beneficiaries had the opportunity to learn the basics of graphic design. A total of 260 students participated in the project, throughout Georgia, of which about 200 beneficiaries completed the course

and more than 150 students prepared the final work, which was submitted for online presentation and received a certificate;

- In December 2020, the Georgian Innovation and Technology Agency, together with the Academy of Digital Industry, launched a new training program in Tbilisi and 8 regions of Georgia. As part of the project, young people living in the regions attended a joint course in Social Media Management and Copywriting;
- The project "How to create a startup" was implemented with the support of the Georgian Innovation and Technology Agency. The project was intended for high school students and students living in the region and involved 170 young people. Trainings were held in Samegrelo-Zemo Svaneti (42 participants), Kakheti (38 participants), Adjara, Guria (50 participants) and Kvemo Kartli (40 participants). The project "How to create a startup" was implemented together with Kings Georgia;
- In December 2020, the Georgian Innovation and Technology Agency, in Racha-Lechkhumi and Kvemo Svaneti region, in partnership with Novel Technology, conducted a 10-day free training course in Basics of Programming and Technology. Up to 30 young people from Racha region attended intensive training;
- In 2020, the event promoted the emergence of key innovative products and projects, strengthened the existing startup community in the regions; supported start-ups in establishing themselves in international markets and attracting private investments. Trainings and other qualification-enhancing activities were successfully implemented in the regions.

Within the framework of trainings and organization of various events throughout Georgia, "How to create a startup" was implemented in different regions of Georgia, trainings were held in Samegrelo Zemo Svaneti (42 participants), Telavi (Kakheti) (38 participants), Adjara, Guria (50 participants) and in Kartli (40 participants). In total, 8 training courses were conducted for the participants and 170 participants were able to complete the course completely and successfully. ICT preparatory courses were held remotely, with the involvement of regional centers: Innovation centers and hubs in 6 regions of Georgia: Kaspi, Rukhi (Kvemo Kartli), Zugdidi (Samegrelo Zemo Svaneti), Telavi, Akhmeta, Gurjaani (Kakheti), Lanchkhuti, Ozurgeti (Guria), Ambrolavani (Rachumo). In total, more than 350 young people were trained from the regions.

In 2020, Gurjaani (Kakheti) and Kaspi (Shida Kartli) Innovation Centers were opened within the **framework of the Innovation Infrastructure Creation** sub-measure. The main goal of the Regional Innovation Hubs and Innovation Centers is to promote the creation of innovative products and services in the country and to raise public awareness through various trainings in this regard.

Under the Innovation co-financing Sub-Measure, equity grants of GEL 3.7 million were awarded to 66 startups in 2020 (instead of the planned 60).

Table of output indicators

Indicator	Measurement Unit	Target Indicator	2020
Number of innovative infrastructure developed; Number of created/equipped innovation centers and innovation hubs	Quantity	3	3
Number of supported enterprises/startups	Quantity	172	106
Number of training and events organized	Quantity	300	201

Table of Financial Indicators

Activities and sub-activities of programme measure	2020			
	Budget code	Target indicator (thousand GEL)	Actual achievement (thousd. GEL)	Achievement (%)
2.2.1. Promotion of innovation and technology development in Georgia	24 08 02	2,500	2,388	95.52
2.2.1.2 Ensuring access to finances (including implementation of micro-grants)	24 08 02	1,700	1,647	96.88
2.2.1.3 Organizing training and events across Georgia	24 08 02	400	387	96.75
2.2.2 Development of Georgia's national innovative ecosystem (IBRD)	24 12	400	354	88.50
2.2.2.1. Creation of infrastructure for innovations; Repair, equipment and ensure their functioning of regional innovation hubs and/or innovation centers in Georgian municipalities based on the feasibility study (initially 8 pilot municipalities. At the end of the project the number has to reach 12)	24 12	20,551	20,551	100
2.2.2.2 Development of innovation services	24 12	9,000.00	6,737.00	74.86
2.2.2.3 Co-financing of innovations including co-financing of grant start-ups, co-financing of innovative activities of existing enterprises, support formation of different innovation funding systems	24 12	8,868.00	8,868.00	100

Measure 2.3 Support to strategic sectors: Tourism

COVID-19 pandemic negatively impacted to the implementation of these measures. As a result, most of the measures were postponed or canceled, although some were still implemented.

In 2020, 19 press and 2 introductory tours were conducted from different target countries of the world. About 90 press representatives and 11 tour operators participated respectively.

In order to popularize the country and establish business contacts, in 2020 the Georgian National Tourism Administration was presented with a presentation stand at 8 international tourism exhibitions-fairs:

- Vakantiebeurs, The Netherlands, Utrecht, January 16-19;
- Ferien-Messe-Viena Vienna, Austria, January 16-19;
- Matka, Helsinki, Finland January 16-19;
- FITUR, Madrid, Spain 22-26 January;
- Balttour, Riga, Latvia - 31 January - 2 February;
- New York Times Travel Show, New York, USA, January 24-26;
- EMITT Istanbul, Turkey, January 30 - February 2;
- IMTM Tel Aviv, Israel, February 11-12;

Representatives of the local private sector (travel companies, hotels, airlines) participated in the events on the joint stand of the National Tourism Administration:

In 2020, 11 press tours were conducted in the local media throughout Georgia in order to popularize various directions and products and stimulate domestic tourist flows. In order to popularize intangible cultural resources of national importance of Georgia and to develop gastronomic tourism, gastro tours were conducted in Svaneti, Guria, Tusheti and Racha.

11 press-tours across the country in 2020:

- Press tour in Gudauri January 24-26;
- Press tour in Racha and Adjara June 1-7;
- "Reliable Tour" in Svaneti June 19-21;
- Press tour in Svaneti and Guria June 23-July 4;
- Press tour in Shida Kartli June 25-26;
- "Reliable Tour" in Imereti June 27-28;
- Press tour in Samtskhe-Javakheti August 4-10;
- Press tour in Kakheti September 4-10;
- "Reliable Tour" in Racha August 14-16;
- Press tour in Imereti August 21-23;
- Press tour in Shida Kartli September 22-27.

The following activities were carried out within the framework of advertising and marketing activities:

- CNN - January 1 - February 29

The National Tourism Administration of Georgia organized an information campaign on the international platform CNN. The campaign included various channels of the international platform, including TV, online (websites and social networks).

Marketing campaigns in target markets:

- Integrated marketing campaign in Kuwait from December 15, 2020 to March 15:
An integrated marketing campaign was launched in Kuwait, which included the placement of promotional videos of Georgia in local cinemas. Also, an online campaign was implemented through social networks Facebook, Instagram, Snapchat. Ad Banners were placed on search engines and on the Youtube platform;

- Virtual Tourism Exhibition “Re-Think Trade Show” - November 9-12, 2020:
The exhibition was aimed at the tourism market of the United States, although buyers from various countries in Europe and Asia also attended it. More than 500 international buyers and more than 85 exhibitors were registered at the exhibition. At the “Re-Think Trade Show”, the Georgian National Tourism Administration was presented through a virtual exhibition space, where the country's promotional material was placed: Brochures, photo-video material, presentation of tourism potential etc.;
- The National Tourism Administration held a "Discount Week" event in Gudauri (Mtskheta Mtianeti) from January 22 to February 5 to support the private sector and stimulate tourism flows. A photo project, "Photographers for Georgia" was implemented, which envisages public involvement in the promotion of tourist sites in Georgia. The aim of the project is to stimulate domestic tourism, as well as to bring visual material to the international market. As a result of the competition, about 300 photographers working in the country were involved.

The following measures were taken to develop tourism products:

- Development of a network of hiking trails in Samegrelo Zemo-Svaneti region;
- Development of a network of hiking trails in the part of mountainous Guria;
- Placing a network of hiking trails on the Internet platform.

Information “Guria and Svaneti Trail Network of the Year” posted on the International Hiking Trail platform [www. Wikiloc.com](http://www.wikiloc.com);

- Expansion of the wine road network - inclusion of new objects.

Based on the analysis and inventory of applications submitted to the National Tourism Administration during 2020, a network expansion project was prepared. The works were carried out according to the prepared project. 61 new host objects have been added to the network, covering 8 regions.

Tourist paths were marked in Samegrelo Zemo-Svaneti (Mestia) and Guria, and picnic infrastructure was constructed in Kvemo Kartli (Dmanisi).

As part of the next renovation of the “Wine Road” project, new markers were installed in 8 regions: Kakheti, Kvemo Kartli, Shida Kartli, Imereti, Samegrelo, Mtskheta Mtianeti and Racha-Lechkhumi in Kvemo Svaneti. At the same time, it is noteworthy that within the activity (creation of a small tourist infrastructure), where LEPL "Produce in Georgia", is involved as well, during 2020, the loan co-financing amount was transferred to 137 regional hotel projects. In total, the transferred finances amounted to 9.26 million GEL.

In terms of service quality development, 6 trainings were conducted across the country, up to 1650 people were trained. It should be noted that due to pandemic-induced restrictions, some measures have been canceled or postponed.

Training topics:

1. Medical tourism;
2. Hygiene and food safety;

3. How to implement general recommendations related to COVID-19 in accommodation and catering facilities;
4. Improving digital skills to develop tourism business;
5. Tourism Services' Sales Promotion Program in the Regions 2020 (conducted in Guria and Imereti regions);
6. COVID-19 regulations for guides (online training).

Within the framework of the project "Check-in Georgia", from August 21 to August 23, 2020, only one event was held: "Black Sea Jazz Festival" in Adjara. Funding for other projects was also being considered, but due to the current situation in the world, similar types of events have been temporarily suspended. The National Tourism Administration has conducted a number of measures to alleviate the negative impact of the pandemic on the tourism sector, including the use of accommodation facilities for quarantine purposes. A total of 220 hotels, 11,744 rooms and 3,644 employees were involved in the project from March 10 to date. The program "Work from Georgia" also achieved important results.

Table of output indicators

Output indicator	Measurement Unit	2020	
		Target indicator	Actual
Number of retrained tourism sector workers	Quantity	1500	1650
Number of tourism marketing events	Quantity	211	26
Number of new tourism products	Quantity	3	3
Number of small – scale tourist infrastructure projects	Quantity	3	2

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target indicator (thousd. GEL)	Actual achievement (thousd.GEL)	Achievement (%)
2.3.1. International tourism exhibitions/fairs and press and info tours	24 05 02	4,000	2,239	55.98
2.3.2. Advertisement and marketing campaign/activities	24 05 02	15,684	596	3.80
2.3.3. Development of tourist products	24 05 02	350	183	52.46
2.3.4. Building small tourist infrastructure	24 05 02	1,250	336	26.92
2.3.5 Quality development in tourism sector	24 05 02	400	167	41.80
2.3.6. Project "Check in Georgia"	24 05 02	50	50	100.00

Measure 2.4. Support for strategic sectors: Agriculture

In 2020, the pandemic had a significant impact on the wine industry as the tourist season collapsed, leading to a decline in wine consumption. However, the Wine Agency continued to work and carried out some activities.

In 2020 Georgian wine was presented at the international exhibition "VinExpo Paris" on February 10-12. And on March 2-3 at Vinexpo New York.

In 2020, 42 degustations/seminars were held on the strategic markets of Georgian wine, both online and live format.

During the reporting period, up to 92.4 million bottles (0.75 l) of wine were exported from Georgia to 60 countries around the world, which is only 1% less than in 2019. The value of exported wine amounted to 216.5 million US dollars, which is 9% less than the same data for 2019. Total exports of wine, brandy, chacha and bottled and alcohol brandy earned 336 million USD, which is 5% less than the same period of last year.

The following changes have been made to the 2020 agricultural insurance program:

- The program became 3 years long;
- In the case of perennial crops, farmers were allowed to purchase a multi-year insurance policy.

In April-May 2020, contracts were signed with 8 insurance companies.

Approximately 16,500 hectares of agricultural land were planned to be insured in 2020, while the volume of the insured area was 18,178 hectares. A total of 17,881 policies were issued to insure crop yields.

Data for the reporting period of the agro-insurance program by region

Region	Amount of polices	Number of beneficiaries	Insured crop area (ha)	Cost of insured crop (GEL)	Agency Co-financing (GEL)
Adjara	1,347	1,042	298.74	2,671,526	262,757
Guria	93	73	43.81	259,605	15,810
Tbilisi	2	2	0.17	608	31
Imereti	190	165	130.85	694,435	33,678
Kakheti	9,745	4,321	9,746.58	81,041,479	3,852,891
Mtskheta-Mtianeti	28	20	37.35	150,743	8,390
Racha-Lechkhumi and Kvemo Svaneti	16	13	3.69	15,927	708
Samegrelo-Zemo Svaneti	684	599	597.52	3,476,857	147,697
Samtskhe-Javakheti	722	307	730.67	7,093,588	416,870
Kvemo Kartli	689	446	3,272.22	8,855,654	450,014
Shida Kartli	4,366	2,159	3,315.95	57,697,144	3,232,560
Total	17,881	9,141	18,177.55	161,957,565	8,421,407

within the component of co-financing of processing and storing enterprises, 1 processing and 9 storing enterprises were established in different regions of Georgia. In addition, 6 new processing plants were set up.

Project data for reporting period on co-financing of processing and storing enterprises by region

Component/Region	Number of beneficiaries	Co-financing (GEL)	Total investment (GEL)
Processing	6	3,347,593	7,659,340
Adjara	2	1,200,000	2,553,339
Kakheti	1	347,593	695,186
Mtskheta-Mtianeti	1	600,000	1,285,843
Kvemo Kartli	1	600,000	1,974,972
Shida Kartli	1	600,000	1,150,000
Storing	10	5,724,422	11,655,527
Imereti	1	600,000	1,350,477
Kakheti	1	565,000	1,130,000
Kvemo Kartli	1	600,000	1,214,967
Shida Kartli	7	3,959,422	7,960,083
Total	16	9,072,015	19,314,867

In 2020, for supporting of beekeeping agricultural cooperatives, equipment of 7 cooperatives with tools/equipment for honey production was planned. 6 contracts were signed and the volume of co-financing of the Rural Development Agency in the approved projects amounted to 79.7 thousand GEL, and 7 cooperatives were equipped with the necessary tools/equipment for honey production.

Project data by region for reporting period on Beekeeping Agriculture Cooperative Support Program

Region	Number of contracts	Number of beneficiaries	Co-financing (GEL)	Total investment (GEL)
Imereti	5	5	67,100	92,000
Kakheti	1	1	12,600	18,000
Total	6	6	79,700	110,000

Data of the Agricultural Cooperatives Infrastructure Support Program, by Region

Region	Number of contracts	Number of beneficiaries	Co-financing (GEL)	Total investment (GEL)
Viticulture	12	12	5,989,747	7,052,398
Kakheti	12	12	5,989,747	7,052,398
Milk	4	4	565,259	601,908
Guria	1	1	122,759	129,220
Kakheti	1	1	150,000	157,898
Samtskhe-Javakheti	1	1	150,000	164,790

Kvemo Kartli	1	1	142,500	150,000
Total	16	16	6,555,006	7,654,306

In 2020, 2 financial institutions were involved in the preferential agro-credit project, which further increased the means of obtaining cheap and affordable cash for farmers. In 2020, co-financing of interest rate for 13,000 soft loans/leasing was planned. 7,152 loans were issued to beneficiaries, 76 new and existing enterprises were opened and re-equipped/expanded/modernized. Out of the abovementioned enterprises, 4 new enterprises were opened and up to 3 million GEL were invested in the newly opened enterprises (out of which, the loan taken under the preferential agro-credit project is 1.8 million GEL, and the beneficiary's own funds are 1.2 million GEL).

Preferential agro-credit project data by regions

Region	Number of loans	Number of beneficiaries	Amount of loans issued by banks (GEL)	Agency co-financing (share of % repayment) GEL
Adjara	22	19	3,545,426	961,556
Guria	106	89	6,706,773	1,269,392
Tbilisi	33	30	20,017,790	2,906,929
Imereti	253	231	20,483,282	3,816,586
Kakheti	3,764	3,317	247,791,078	47,422,229
Mtskheta-Mtianeti	96	87	9,837,086	3,255,293
Racha-Lechkhumi	34	26	8,325,515	1,121,983
Samegrelo	339	281	37,079,123	6,294,664
Samtskhe-Javakheti	899	858	17,933,596	4,065,946
Kvemo Kartli	608	555	70,147,565	8,791,348
Shida Kartli	998	850	61,701,862	11,440,539
Total	7,152	6,333	503,569,096	91,346,466

Table of output indicators

Indicator	Measurement Unit	2020	
		Target indicator	Actual
Number of beneficiaries involved in the projects in the framework of projects/programmes	Quantity	-	14,683
Number of supported cooperatives	Quantity	17	22

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target indicator (thousd. GEL)	Actual performance (thousd. GEL)	Performance (%)
2.4.1. Support agriculture production, creation of new enterprises in agriculture sector and expansion of existing ones through cheap and affordable finances, leasing, co-financing of interest	31 05 02; 31 05 03; 31 05 06; 31 05 07.	110,410	110,410	100

rates, collateral of loans, agro insurance				
2.4.2. Supporting agriculture cooperatives	31 06 (Excluding 31 06 01, 31 06 05)	4,593	4,157	91
2.4.3. Supporting wine production	31 03 (Excluding 31 03 01, 31 03 04, 31 03 03, 31 03 06)	86,132	86,132	100
2.4.4. Development/diversification of other agricultural sectors.	31 06 05; part of the codes - 56 08; 56 09	300	215	72

Measure 2.5. Export promotion

In 2020, the LEPL "Produce in Georgia" ensured the participation of 49 unique Georgian companies in 10 **international exhibitions** and 9 online showrooms. A total of 68 beneficiary companies were co-financed, exceeding the target output by 4 points and 6.25 per cent, taking into account the 20 per cent margin of error.

In order to connect foreign buyers with Georgian producers, in 2020 the LEPL "Produce in Georgia" using various communication channels, was able to connect a number of foreign buyers with Georgian entrepreneurs. As a result, more than 30 cases of connection were recorded, which facilitated the export of various products to different countries, including one of the beneficiaries of the agency exporting kiwi to Japan, another exporting natural fruit and vegetable juices to Israel, and so on.

In 2020, the LEPL "Produce in Georgia" failed to conduct the Certificate Course in Export Managers in Tbilisi, Telavi and Kutaisi.

Table of output indicators

Output Indicator	Measurement Unit	2020	
		Target indicator	Actual
Number of companies benefiting from export promotion and export development support activities	Quantity	80 (Exporting Company)	49 (Exporting company) / 68 (Company co-financing)
Number of trained export managers	Quantity	70	0 (could not be implemented)

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target indicator (thousd. GEL)	Actual performance (thousd. GEL)	Performance (%)
2.5.2 Organization of international exhibitions and trade missions	24 07 02	1,140	864	75.84
2.5.5. Promoting Georgian wine abroad and support of export	31 03 06 and 31 03 03	7,048	7,048	100

Measure 2.6. Promotion of inward investment

During the reporting period, with the support of LEPL National Agency for State Property, the project within the framework of infrastructural support programme of LEPL "Produce in Georgia" creation of two new enterprises was facilitated. The enterprise provides investment within double amount of transferred assets, which, in turn, leads to an increase in taxes paid to the budget. Supported enterprises are located in Kvemo Kartli (Rustavi), with a total investment of 7 million GEL and will employ 3,810 people.

In 2020, on the territory of Georgia except Tbilisi and Batumi, an agreement on co-financing of loan interest was signed for 31 hotel projects. The total investment to support the hotel industry exceeds 98.1 million GEL. Through the program, more than 38.6 million GEL of commercial loans were approved by commercial banks, these beneficiaries will create additional 620 new jobs. It should be noted that the beneficiaries of the industrial direction of the "Produce in Georgia" program received financial support from the Agency for 2 years before the changes in the program, therefore in 2020 beneficiaries for whom 24 months have not passed from the date of approval of loan also were supported. As a result, by 2020, loan interest co-financing was transferred to 129 regional projects. The total volume of transferred funds amounted 8.2 million GEL.

Within the framework of the credit guarantee scheme, in 2020, 4 loans were approved for hotels (outside Tbilisi), the value of which is 5.0 million GEL., 1.1 million GEL was issued in the regions under the program.

Within the framework of the program "Produce in Georgia", the largest amount was provided in the form of subsidies to hotels in Kakheti (GEL 2.1 million) and Mtskheta-Mtianeti (GEL 1.6 million) regions.

International brand tax was distributed according to the regions as follows: Kakheti - 238.5 thousand GEL, Mtskheta-Mtianeti - 134.4 thousand GEL. TA was used by one hotel located in Guria.

In 2020, in order to promote foreign direct investment and support potential foreign investors, LEPL "Produce in Georgia" has launched 5 investment projects in the regions. The projects are distributed among the regions as follows:

Mtskheta-Mtianeti - Tokyo Electric Power Company (TEPCO), one of the leading Japanese companies in the field of energy, in 2020 invested in the Dariali hydropower plant with an installed capacity of 108 MW that is the largest investment made by Japan in Georgia.

Kakheti - In 2020, a new hotel and tourist complex project "COASIS Resort Kakheti" was launched in Kakheti, which is being implemented with Polish investment. The cost of the project is 13 million USD.

Kakheti - Swiss chocolate company Camille Bloch has launched an investment project that includes cultivation of 650 hectares of plantations and a raw material processing plant. The total investment of the project is more than 10 million dollars.

Kvemo Kartli - Ajara Textile, one of the largest investors in Georgia in the field of sewing, has decided to reinvest and started building a new enterprise in Rustavi. The project will create 3,000 new jobs.

Adjara - With the support of LEPL "Produce in Georgia", Majorel, one of the largest investors in the business process outsourcing (so-called BPO) sector, in 2020 expanded its activities and

opened the 4th office of the company in Georgia namely in Batumi (currently the company employs a total of 1800 people in 3 offices). The project will employ about 100 people who will serve the largest international companies in German (customer service services by phone, e-mail and social networks).

In 2020, as a result of 6 investment projects implemented with the support of the Investment Department of LEPL "Produce in Georgia", 3780 jobs were created/will be created. As a result of five projects implemented in the regions, 3280 jobs will be created, and the investment volume of the projects is 81 million USD.

According to Geostat, foreign direct investment attracted in 2020 is distributed in the regional context as follows:

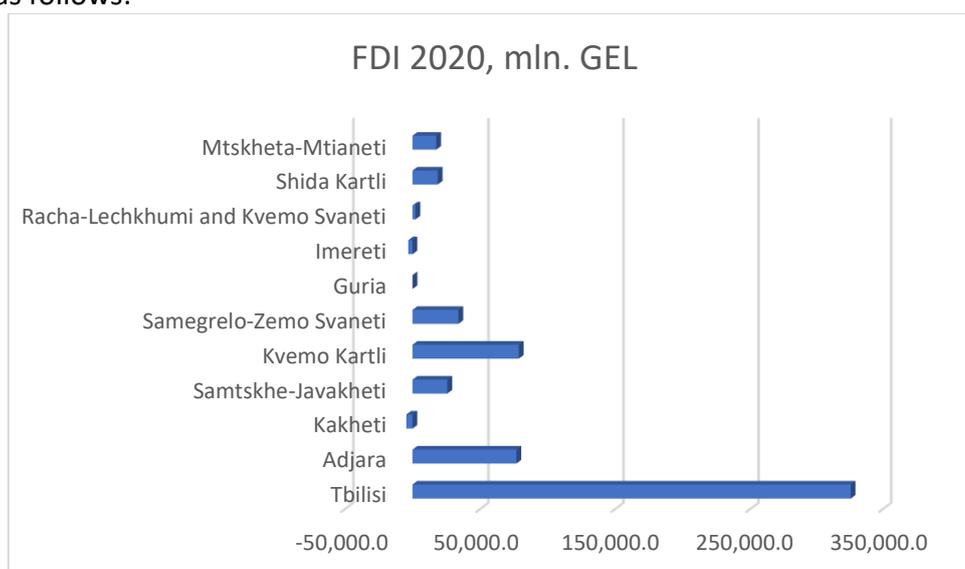


Table of output indicators

Output Indicator	Measurement Unit	2020	
		Target indicator	Actual
Number of implemented investments within the program "Produce in Georgia – Investment	Quantity	10	2

Priority 3: Development of Human Capital

Measure 3.1 Increasing the quality of general education

In 2020, 4 public schools were completely rehabilitated, 48 public schools were rehabilitated and 9 public schools were constructed in different regions of Georgia, as well as an innovation center was constructed in the city of Ozurgeti; 178 public schools are funded to address a variety of infrastructural problems. According to the regions, the projects were implemented as follows: Guria - 10 projects; Imereti - 52 projects; Kakheti - 16 projects; Mtskheta-Mtianeti - 24 projects; Racha-Lechkhumi and Kvemo Svaneti - 3 projects; Samegrelo Zemo - Svaneti 41 projects; Samtskhe - Javakheti - 10 projects; Kvemo Kartli - 39 projects; Shida Kartli - 29 projects.

In 2020, by the decision of the National Center for Teacher Professional Development, a series of webinars, online/distance trainings and training courses were conducted for the safe professional development of teachers. From January to December of the reporting year, as a result of the activities carried out within the training program, 22,279 teachers passed 29 training modules in 29 different subjects and content areas. Online trainings were conducted throughout Georgia.

In 2020, school competitions were held for the students of Georgian general educational institutions on the following topics: Blog contest "Our language is Georgian", essay contest, photo contest "Photo stories during a pandemic". The winners were awarded 27 diplomas and 20 gift cards for computer equipment and accessories. Among the winning students, 9 are students living in the regions of Georgia. The project of the Georgian National Film Center was also funded: " Film in the School", in the framework of which about 150 students from 40 public schools were specially selected and trained film missionaries conducted 12 online film educational activities. From the schools involved, 29 schools were from the regions.

In the second semester of the 2019-2020 academic year, 2,242 students from 19 public schools were transported throughout Tbilisi, as well as 308 students with disabilities (with special needs) and wheelchairs (5 with special needs status) from 5 schools.

Table of output indicators

Output indicator	Measurement Unit	2020	
		Target	Actual
Number of rehabilitated public schools	Quantity	50	57
Number of students involved in the Summer Schools Programme	Quantity	1600	0
Number of school projects in the various directions	Quantity	25000	22279

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual achievement (thousand GEL)	Achievement (%)
3.1.1. Development of public school infrastructure in the regions, including providing adapted physical environment and improving the quality of educational services	32 07 02 01; 32 07 02 05	23,696	23,696	100
3.1.3. Supporting professional development of teachers	32 02 02;	141	141	100
3.1.5. Providing transportation for the	32 03 11	20,100	10,960	54.53

students of public schools				
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Measure 3.2 Improving the vocational education system

In 2020, for the development of a new vocational education institution, the construction of 3 vocational colleges was completed: Modus College in Marneuli - for 150 students (Kvemo Kartli), Kaspi Vocational College - for 200 students (Shida Kartli) and NNLE College, "Horizon" educational building, Goraberezhouli branch (Guria) - for 100 students.

4 vocational colleges are under construction: In Imereti - Tskaltubo Vocational College, the building is designed for 100 students; In Shida Kartli - Khashuri Vocational College, the building is designed for 150 students; Borjomi (Samtskhe-Javakheti) Vocational College, the building is designed for 250 students; Shota Meskhia Vocational Department of Zugdidi (Samegrelo - Zemo Svaneti) State Teaching University.

In addition to the development of new locations, the existing vocational education institutions are being developed (rehabilitated/equipped) within the framework of the infrastructure development component of vocational education institutions. In 2020, the complete rehabilitation works of the College "Prestige" (Kakheti, Telavi) were completed and the rehabilitation of the LEPL Akhalkalaki professional department of the Samtskhe-Javakheti State University was continued.

In 2020, works were carried out/planned for the construction of workshops in 5 regions (Samtskhe-Javakheti, Samegrelo-Zemo Svaneti, Shida Kartli, Kakheti, Racha Lechkhumi-Kvemo Svaneti).

In 2020, teacher professional development trainings were conducted remotely, taking into account the epidemiological situation in the country. In 2020, trainings for teachers of public vocational schools were planned and conducted in 3 main areas: vocational teacher pedagogical course; Development of entrepreneurial competencies; trainings in enterprises.

According to the data of 2020, the modular (dual) programs implemented by regions were distributed as follows: Guria - 13, Imereti - 55 (including 1 dual), Kakheti 46 (including 3 dual), Mtskheta-Mtianeti 29 (including 10 dual), Racha-Lechkhumi-Kvemo Svaneti - 3, Samegrelo-Zemo Svaneti - 98 (including 4 dual), Samtskhe-Javakheti - 25 (including 2 dual), Kvemo Kartli - 31, Shida Kartli - 26 (including 3 dual). In 2020, the total number of graduates of dual vocational education programs amounted 68 (Tbilisi 21, regions - 47).

Measures to develop professional skills in public schools were not implemented due to pandemic-induced restrictions.

Table of output indicators

Output indicators	Measurement Unit	2020	
		Target	Actual
New vocational institutions or new branches of the existing vocational institutions	Quantity	1	3
People involved in the programme for developing labor/professional skills	Quantity	4000	4200
Vocational teachers involved in professional development activities	Quantity	600	602
Graduates of on-the-job (dual) vocational programmes	Quantity	60	68
Dual/modular programmes implemented in the system	Quantity	2	116 modular /34 dual approach

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget Code	2020		
		Target (thousd.GEL)	Actual (thousd.GEL)	Achievement (%)
3.2.1 Developing infrastructure of existing vocational institutions, and/or establishing new vocational institutions	32 07 02 02	23,627	23,626	100
3.2.2. Professional development of vocational teachers	part 32 02 02	300	141	47.00

Measure 3.3 Increasing the quality of higher education system and increasing accessibility to higher education

In 2020, 10 scholarship programs were funded in the direction of graduate grants and youth incentives. A total of 118 scholarships were awarded, both funded by the International Center for Education and co-financed by the Center and its partner organizations, with full funding from the Hungarian government under the “Stipendium Hungaricum” program.

Batumi Shota Rustaveli State University, Kutaisi Akaki Tsereteli State University and Iakob Gogebashvili Telavi State University participated in the program.

The program "Support for Higher Education" was planned in 2018 within the sub-program "Eurostudent National Project". The study of the seventh wave of the Eurostudent International Survey describes the socio-economic situation and living conditions of students in Georgian higher education institutions. The study covers the years 2018-2020.

During 2020, a group of experts on the authorization of higher education institutions prepared 25 findings, which are available on the website of the National Center for Education Quality Development. As a result of the research, a total of 7672 students of 54 higher education institutions from Tbilisi and the following regions were interviewed: Imereti, Adjara, Samegrelo-Zemo Svaneti, Shida Kartli, Samtskhe-Javakheti and Kakheti.

Table of Financial Indicators

Output indicator	Measurement Unit	2020	
		Target	Actual
Number of international studies (assessments) conducted	Quantity	1	1
Number of scholarships issued for successful students	Quantity	200	118
Number of programmes and projects supporting higher education	Quantity	10	10
Conclusions on institutional assessment of authorized higher education facilities	Quantity	10	10

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target indicator (thousand GEL)	Actual (thousand GEL)	Achievement (%)
3.3.1. State study, master's grants and promoting youth; improving and managing quality of higher education	32 04 02; 32 01 03; 32 04 04	4,726	4,716	100
3.3.2. Supporting higher education	32 04 03, 32 04 05	1,550	1,550	100

Measure 3.4 Support to research sector

As part of the competitions completed in 2020, 103 institutions were identified as winners and received grant funding. However, 96 of these projects are implemented on the basis of universities and research institutes based in Tbilisi, and 4 in other regions. No new grant competitions were announced in 2020 due to changes (sequestration) in the budget law.

Within the framework of this sub-measure, the administration of the 2019 competition was completed in 2020, within the framework of which 7 grant projects were funded for universities representing the regions of Georgia, namely: 3 projects of Batumi Shota Rustaveli State University (Adjara), 3 projects of Akaki Tsereteli State University (Imereti). 1 project of Telavi N2 public school and Didi Chailuri village public school of Sagarejo municipality (Kakheti).

Under the Science Popularization Program 2020, due to the pandemic restrictions, virtual scientific events (picnics) were funded in higher education institutions located in the regions of Georgia. In particular, Shota Rustaveli Georgian National Science Foundation conducted scientific virtual picnics on the basis of the following universities: In Adjara - Batumi Shota Rustaveli State University, in Imereti - Kutaisi Akaki Tsereteli State University, in Kakheti - Iakob Gogebashvili Telavi State University and in Samegrelo Zemo-Svaneti Shota Meskhia Zugdidi State Teaching University

The following measures were taken in 2020 to promote scientific research: Radon research in Tskaltubo (Imereti); Together with 7 veterinary clinics and 5 animal shelters operating in different regions of the country, the project "Ehrlichia spp."; Assessment of regional prevalence and health burden in Georgian Kvemo Kartli region (Bolnisi-Dmanisi); field activities were carried out within the framework of the grant project "Environmental Health

Risk Assessment in Bolnisi-Dmanisi Region" funded by LEPL Shota Rustaveli Georgian National Science Foundation.

Table of Financial Indicators

Output indicator	Measurement Unit	2020	
		Target	Actual
Number of research state grants awarded	Quantity	107	103

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target indicator (thousand GEL)	Actual (thousand GEL)	Achievement (%)
3.4.1. Promoting scientific grants and scientific research	32 05 01 Administration 1180	36,146	35,813	99.08
3.4.4. Support to scientific research		775	775	100

Measure 3.5 Increasing accessibility of labour market

In 2020, the Skill Demand Survey of Enterprises was completed, with the aim of collecting and analyzing information on the professional skills required by enterprises. The survey covered 9000 enterprises and examined the structure of the workforce, professional skills of employees, vacancies in enterprises, human capital development strategies in enterprises and employers' attitudes towards education. An online presentation of the survey results was organized in June 2020, attended by representatives of government agencies, social partners, business associations, international and local organizations, with a total of 50 participants. A survey report was prepared and posted in Georgian and English on the Labor Market Information System website. Due to pandemic-related constraints, "Sector Skills Study Survey" could not be implemented and was postponed until 2021. The Survey covers the transport and energy sectors.

The findings from the Skill Demand Survey of Enterprises serve to develop evidence-based employment and education policies. This survey, among other important issues, allows to study of the demand component of the labor market by professional groups.

Table of Financial Indicators

Output indicator	Measurement Unit	2020	
		Target	Actual
The state employment portal is created and labour market management information system is functioning	Quantity	1	1
Periodic survey on labour market supply-demand conducted	Quantity	1	1
Employment-related events for job-seekers and employers organized.	Quantity	1	2

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target indicator (thousand GEL)	Actual (thousand GEL)	Achievement (%)
3.5.1. Introduction and development of labour market analysis information systems	24 01 05	113,703	16,818	14.79
3.5.2. Employment support service development	35 05 02	700	444	63.4
3.5.3. Training/retraining and qualification raise of job-seekers	35 05 04	2000	5	0.25

On December 30, 2019, Resolution # 665 of the Government of Georgia approved the "State Program for Development of Employment Promotion Services 2020", which aims to develop/implement active labor market policy and employment promotion services in the country.

During the reporting period, due to the restrictions imposed as a result of the pandemic, number of activities planned within the state program was impossible to implement, as well as it was impossible to absorb the defined budget of 700 thousand GEL. The budget was amended and set at 444 thousand GEL. Below is presented the 2020 performance report of the activities implemented under the program:

- A platform www.worknet.gov.ge has been created, from which it is possible to collect statistical information, form databases and process reports.
- As of December 2020, 33,693 people had registered in the system. The total number of job seekers consisted 377,518, of which 338,317 were active job seekers, namely: In Tbilisi - 59 024, in Adjara - 35 528, in Guria - 15 994, in Imereti - 46 939, in Kakheti - 37 511, in Samegrelo-Zemo Svaneti - 33 276, in Samtskhe-Javakheti - 12 243, in Kvemo Kartli - 33 248, in Shida Kartli - 27 688, in Racha-Lechkhumi - 5 343, in Mtskheta-Mtianeti - 9 838, other (without address) - 21 685.
- In order to get acquainted with the "rules of conduct in the labor market", job seekers were provided with individual consultations in the service centers of the Employment Promotion Agency. As a result, according to the information received, 3,024 job seekers underwent individual counseling at the Service Center of the Agency. (From Tbilisi - 1 179, from Adjara - 433, from Guria - 396, from Imereti - 32 from Kakheti - 217, from Samegrelo-Zemo Svaneti - 436, from Kvemo Kartli - 14, from Shida Kartli - 281 and from Mtskheta-Mtianeti - 36).
- In order to provide mediation services (selection of job seekers) in the 3,444 vacancies provided by the employers, information about the vacancies was provided to the job seekers registered in the system. Applications of 1,806 job seekers were selected and sent to employers within the vacancies, including 1,322 from Tbilisi, 31 from Adjara,

61 from Guria, 59 from Imereti, 192 from Kakheti, 26 from Samegrelo-Zemo Svaneti, 27 from Kvemo Kartli, 30 from Shida Kartli. And Mtskheta - from the mountains - 58.

- In total, 343 job seekers were employed within the mediation service. Of these, 69 were employed by the employer with whom the intermediary agency was employed, and 274 persons were employed by other employer.
- Individual career planning and professional counseling were provided at the agency service centers to 72 job seekers. (Tbilisi - 58, Imereti - 10 and Shida Kartli - 4).

Support employment consultants provided services to 12 persons with disabilities at the Agency's 4 service centers. From here, Tbilisi - 5, Adjara - 3, Guria - 2, Shida Kartli - 2. In order to promote the employment of low-competitive groups, 9 vacancies were found for people with disabilities. 9 persons with disabilities were employed within the mediation service. From here, Tbilisi - 6, in Adjara - 3.

At an employment forum organized by the HR hub in February 2020, the agency provided informational support. Information about the forum was provided to job seekers registered in the system.

In March 2020, the Agency provided information support at an employment forum jointly organized by the Youth Association Droni and the Student Initiative Recognize Opportunity of job seeking people with disabilities with Potential Employers.

In July 2020, Resolution # 449 of the Government of Georgia approved the "State Program for Vocational Training/retraining and Professional Development of Job Seekers", which aims to provide vocational training/retraining and/or through further internships and development of key competencies in the professions required by the labour market increase competitiveness and thus promote the employment of job seekers.

During the reporting period, due to the restrictions imposed in the country as a result of the pandemic, in 2020 the state program was implemented with delays. Consequently, the budget defined by the program, 2 million GEL, could not be absorbed. The budget was adjusted and set at 5 thousand GEL.

As part of the jobseekers' vocational training/retraining component, 442 jobseekers started their studies in December. The learning process started in Tbilisi, Imereti and Samegrelo-Zemo Svaneti regions. 326 beneficiaries were involved in the training process in Tbilisi, and 116 beneficiaries in the regions (Imereti - 60, Samegrelo-Zemo Svaneti - 56). The training process will be completed in the first quarter of 2021 and if all of them complete the training course, then considering the cost of tuition, 122 thousand GEL will be spent from the 2021 budget. 1 employer in Tbilisi and 19 interns joined the internship component in 2020. The internship will end in the first quarter of 2021. The interns were funded with GEL 3,200 from the 2020 program budget. From the 2021 budget, 7,600 GEL is provided for interns involved in the program.

Measure 3.6 Promoting integration of vulnerable groups

In 2020, houses for disaster-affected (eco-migrant) families have been purchased in line with the amount of budget allocations. During the reporting period, 5 million GEL was allocated for this purpose, and the purchase of each house was to be carried out within 25 thousand GEL. Accordingly, 204 houses were purchased during the reporting period.

Transportation costs of IDP students enrolled in state vocational education institutions will be reimbursed and the IDP Self-Employment Support Program, under which IDPs graduating from vocational programs will be provided with self-employment hand tools. The target for participation in these programs was 385 IDPs. In 2020, 234 IDPs participated in the indicated programs. The involvement of IDPs in the Agency's programs is directly proportional to the regional accommodation of IDPs and includes the following regions: Samegrelo-Zemo Svaneti, Imereti, Shida Kartli and Kvemo Kartli.

Table of output indicators

Output indicator	Measurement Unit	2020	
		Target	Actual
Residential space constructed or purchased for IDPs	Quantity	1500	1527
Number of refugees who participated in the programmes supporting self-employment of refugees	Quantity	385	234
Number of representatives of other vulnerable groups (youth not in education, persons with SEN and disabilities), involved in vocational education, training courses or activities for developing new skills	Quantity	200	204
Providing long-term accommodation for eco-migrants	Quantity	120	120

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousd. GEL)	Actual (thousd. GEL)	Achievement (%)
3.6.1. Improving social conditions for refugees	27 06 03	98,400	62,376	63
3.6.2. Providing subsistence means for refugees	27 01 07 (from December)	127,500	418	0
3.6.4. Training national minorities through the professional and state language programmes	32 03 03	2,600	2,048	79

Measure 3.7 Social inclusion

A component of social inclusion is the social assistance to target groups of the population, which is implemented annually and includes the provision of targeted assistance to various vulnerable groups. In particular, this program provides a living allowance for families below the poverty line, a "social package" for target groups, benefits for IDPs, refugees and people

with humanitarian status, cash benefits to help improve the demographic situation, assistance in the process of pregnancy, childbirth and child care, as well as adoption of a newborn, compensation for the damage to the health of the employee while performing labour duties.

In 2020, in order to mitigate the damage caused by the pandemic, the procedures for the administration of targeted assistance were suspended, among them, suspended subsistence benefits were renewed and financial assistance to families receiving subsistence benefits continued. This social protection measure has increased the scope of the Targeted Social Assistance Program (TSA).

Within the framework of the State Program for Social Rehabilitation and Child Care, the measures for improvement and integration into society of the physical and social condition of persons with disabilities, including children, the elderly and children deprived of social care, socially vulnerable, homeless and at risk of abandonment are implemented annually. Up to 15,500 beneficiaries received services within the sub-programs of the program. The budget for this program is increasing every year and in 2020 it amounted to 37.4 million GEL, which is 2 million more than the previous year. Due to the epidemiological situation in the country, some services of the program have switched to online mode.

Table of output indicators

Output indicator	Measurement Unit	2020	
		Target	Actual
Volume of social aid provided for the target groups	Thousand GEL	793.000	794.687

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual (thousand GEL)	Achievement (%)
3.7.1. Social aid for target groups	27 02 02	793,000	794,000	100.13
3.7.2. Social rehabilitation and childcare assistance	27 02 03	37,400	31,470	84.14

Priority 4: Promoting local development and supporting specific territories based on their endogenous development

Measure 4.1 Support to implementation of regional development strategy: development of small scale technical and social infrastructure

The amount allocated for the implementation of municipal and regional projects in 2020 was initially set at 250 million GEL, however, due to the complete absorption of funds allocated by some municipalities, 110 million GEL was added. Accordingly, the total amount allocated for the implementation of municipal and regional projects in the reporting period amounted to 360 million GEL. As of December 31, 2020, the actual absorption amounted to 358 million GEL.

Infrastructural projects funded in 2020 from the Fund for Projects to be Implemented in the Regions of Georgia included the following main areas:

Category	Number of projects	Amounts allocated (GEL)	Absorption (GEL)
Roads	743	270,440,513.00	268,930,229.00
Sewerage	2	1,003,524.00	1,003,524.00
Cultural infrastructure	16	4,177,811.00	4,177,810.00
Municipal infrastructure	76	25,594,244.00	25,506,780.00
Kindergartens	42	10,923,199.00	10,892,621.00
Road infrastructure	16	5,893,074.00	5,862,350.00
Squares	20	4,472,308.00	4,455,599.00
Sports infrastructure	41	8,666,273.00	8,609,190.00
Water supply	94	27,664,897.00	27,597,630.00
Bridges	9	1,164,157.00	1,157,823.00
Total	1059	360,000,000.0	358,193,556.00

The mentioned projects were distributed in the regional context as follows:

Region	Number of projects	Amounts allocated (GEL)	Absorption (GEL)
Guria	56	18,964,397.00	18,963,283.00
Imereti	302	81,173,857.00	80,710,875.00
Kakheti	187	52,644,855.00	52,482,565.00
Mtskheta-Mtianeti	59	22,156,663.00	22,156,625.00
Racha-Lechkhumi-Kvemo Svaneti	63	17,291,718.00	17,250,919.00
Samegrelo-Zemo Svaneti	181	60,923,723.00	60,094,303.00
Samtskhe-Javakheti	77	34,946,024.00	34,798,597.00
Kvemo Kartli	74	40,068,676.00	40,005,658.00
Shida Kartli	60	31,830,087.00	31,730,731.00
Total	1059	360,000,000.00	358,193,556.00

As a result of the implemented projects, output indicators have been achieved:

Table of output indicators

Output indicator	Measurement Unit	2020	
		Target	Actual
Number of small infrastructural projects constructed and rehabilitated	Quantity	1059	1059
Length of roads constructed and rehabilitated	km	1014,7	1014,7
Length of roads constructed and rehabilitated in high mountain settlements	km	38	38

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual (thousand GEL)	Achievement (%)
4.1.1.1 Projects to be funded under the Fund of Projects to be Implemented in the Regions of Georgia	56 08	360,000	358,193	99.50

Measure 4.2: Rural development

Reporting within this measure is not performed under the Regional Development Programme.

Measure 4.3 Measure for reimbursement of costs of natural gas supplied to high-mountain settlements of Dusheti municipality and Kazbegi municipality

In accordance with the Resolution of the Government of Georgia №335 of November 3, 2010 on the measures of uninterrupted supply of natural gas to the population in Kazbegi Municipality and in the highland villages of Dusheti Municipality, within the allocations to the Ministry responsible for the state budget of Georgia for the specific year.

Due to the difficult social situation of the population, since 2010 the cost of natural gas consumed in January-May and October-December by the permanent residents of the highland villages of Kazbegi and Dusheti municipalities (approximately 5700 subscribers) has been paid annually. Under the program, it was planned to reimburse the cost of natural gas consumed by 5,700 customers in 2020, with a total target of 8 million GEL. The activity was completely implemented and the cost of natural gas supplied from December 1, 2019 to November 30, 2020 amounted to 8.9 million GEL, and the number of subscribers was set at 7113.

In January-May and October-December, the socio-economic situation of the population permanently living in the highland villages of Kazbegi and Dusheti municipalities (7113 subscribers) have been eased. The implementation of the program is planned in the coming years, which, in turn, will have a positive impact on the socio-economic situation of the program beneficiaries.

Table of Financial Indicators

Activity and sub-activity of the programme measure	Budget code	2020		
		Target (thousand GEL)	Actual (thousand GEL)	Achievement (%)
4.3.1. Improving the infrastructure of high mountain settlements	RDF, 25 03 10 MDF	8,495	8,370	98.54
4.3.3 Social benefits in the high mountain settlements	35 02 04	64,100.00	59,285.00	92.5
4.3.4. Measure for reimbursing the costs of natural gas supplied to the population of high-mountain settlements of Kazbegi and Dusheti municipalities	24 11	8,949.00	8,949.00	100%

Pursuant to the Law of Georgia on the Development of Mountainous Regions, among other benefits, pensioners living in high mountain settlements are entitled to a pension/Social Package supplement in the amount of 20% of the pension/Social Package; Under the same program, supplements are provided for medical staff: for a doctor - double the amount of pension, for a nurse - in the amount of one-month pension. In addition, consumers living in high mountain settlements (household customers) are reimbursed 50% of the monthly fee for electricity consumed in high mountain settlements (not more than 100 kWh of electricity consumed);

From January 2020, the increase of the pension rate was planned in two phases: from January, the increased amount of the state pension was from 200 to 220 GEL, and from July, the second stage of the increase in the state pension up to 250 GEL for the population aged 70 and over. According to the amendment to the Law of Georgia on State Pension of 2020, according to the rule of pension indexation, from 2021 the pension of all pensioners will increase not less than the inflation rate.

Measure 4.4 Development of Anaklia Port Area

During the reporting period, the investment agreement between the Government of Georgia and Anaklia Development Consortium Ltd. was terminated, within the framework of which a number of technical-economic studies, as well as preliminary design, basic research and master plan were developed and transferred to the state. In addition, early deepening works have been completed. At this stage, the agency has started working to establish new tender conditions, as a result of which a new investor will be selected to implement the project.

Early deepening works have been carried out in Zugdidi Municipality (Samegrelo-Zemo Svaneti). Other works related to the construction of the port in Anaklia will be resumed and carried out by a new investor, who will be selected within the framework of the renewed tender.

Priority 5. Increasing quality and effectiveness of regional development institutions, preparing regional development programme for the pilot regions

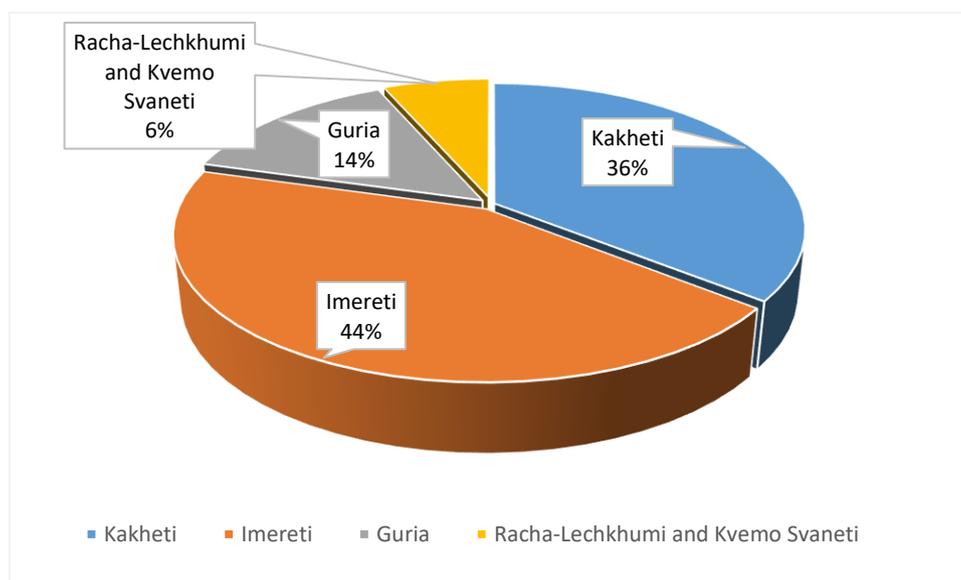
The Pilot Region Integrated Development Program (PIRDP) has been developed with assistance of the European Union and covers 4 pilot regions of Georgia: Kakheti, Imereti, Guria and Racha-Lechkhumi and Kvemo Svaneti.

The Pilot Region Integrated Development Program (PIRDP) has a clear pilot and demonstration character, enabling Georgia to implement a regional policy in line with EU standards. Local government, civil society, the private sector and other stakeholders are involved in the implementation of the programme. The main objective of PIRDP is to create a favourable environment and promote balanced and sustainable socio-economic development of the four pilot regions through integrated territorial development initiatives

According to the financial agreement signed between the Government of Georgia and the European Union in September 2020, the EU will consistently provide 54 million for the implementation of the program to support implementation of regional development policy in line with current EU experience and practice in Georgia.

In 2020, the PIRDP was implemented in accordance with the annual plan, for which the Government of Georgia allocated 5 million GEL in July 2020. within the plan, the allocated amount was distributed in line with the formula to the pilot regions as indicated in the chart below.

Distribution of PIRDP finances by pilot regions



The allocated funds were distributed to the 4th priority of the programme - "Integrated Local Development" - " Measure 4.2 Local infrastructure helping development of local businesses."

From the submitted projects, the Regional Consultative Councils of the respective regions selected 11 projects for funding, the detailed information of which is given in the following table:

N	Region	Identification Number	Project Name	Name of the Municipality	Total Cost of the project (GEL)	requested amount	Volume of co-financing
1.	Imereti	PIRDP/4.2/CfP#1/IMERETI/01	Arranging a square next to the former "Champagne Factory" along the Sachkhere Highway-By constructing a small infrastructure Arranging new recreational, leisure spaces and promoting small business	Sachkhere Municipality	344801,66	327562	17 239,66 (5%)

2.	Imereti	PIRDP/4.2/CfP#1/IMERETI/03	Rehabilitation of Labajouri road and pedestrian bridge in Dikhashkho administrative unit to stimulate local business and promote tourism	Vani Municipality	262 155	262 155	0
3.	Imereti	PIRDP/4.2/CfP#1/IMERETI/05	Construction of a concrete paved road in the village of Satsire to support the development of local business	Tkibuli Municipality	172 784	172 784	0
4.	Imereti	PIRDP/4.2/CfP#1/IMERETI/07	Construction of entertainment and leisure space infrastructure to support local small businesses	Samtredia Municipality	536 600.62	426 942	109 657,75 (20.4%)
5.	Imereti	PIRDP/4.2/CfP#1/IMERETI/08	construction of business development and tourism support infrastructure in Baghdati Municipality	Baghdati Municipality	993 993.77	970 000	23 993,77 (2.4%)
6.	<u>Kakheti</u>	PIRDP/4.2/CfP#1/KAKHETI/01	Construction of an access road to Manavi Fortress to facilitate the development of local business	Sagarejo Municipality	1 402 490	897 594	504 896 (36%)
7.	<u>Kakheti</u>	PIRDP/4.2/CfP#1/KAKHETI/02	Increasing the access of medium-sized businesses - Babaneuri Cellar by rehabilitating the access road to the village of Babaneuri, Akhmeta Municipality	Akhmeta Municipality	572 919	572 919	0
8.	<u>Kakheti</u>	PIRDP/4.2/CfP#1/KAKHETI/04	Rehabilitation of road in the territory of a new business cluster in Telavi	Telavi Municipality	317 530,13	301 653	15 876 (5%)
9.	Guria	PIRDP/4.2/CFP#1/GURIA/01	Development of local business in Ozurgeti municipality by	Ozurgeti Municipality	261 643.83	252 699.19	8 944,64 (3.42%)

			improving the infrastructure				
10.	Guria	PIRDP/4.2/CFP#1/GURIA/02	Development of Chokhatauri tourism diversity and support of local business by creating a new recreational-leisure park	Chokhatauri Municipality	279 157.0	279 157.0	0
11.	Racha-Lechkhumi and Kvemo Svaneti	PIRDP/4.2/GFPN1/RACHA-LECHKHUMI AND KVEMO SVANETI/01	Rehabilitation of access paths to the natural columned monument of the village Sairme	Tsageri Municipality	328652	318 792	9 860 (3%)

The Government of Georgia allocated 4.8 million GEL to finance the selected projects, which accounted for 8.8% of the EU allocation for the implementation of the PIRDP. It should be noted that according to the call for proposals document, the co-financing was not obligatory to the municipalities, however, the municipalities expressed their willingness to co-finance submitted projects with the corresponding total amount of 695 thousand GEL (14.4% of the requested amount), that indicated the high interest of municipalities in participating in the PIRDP and the desire to effectively use the allocated funds and the competition between municipalities.

The number of supported villages and settlements within the framework of the projects implemented in 2020 under the PIRDP consisted 11, Number of supported small infrastructure projects - 4 and the number of road construction projects - 7, including within a road construction project one bridge has been rehabilitated.

Section II: Analysis of Achieved Results

The output results achieved in the implementation of RDP had an impact on more long-term outcomes. Exactly these results have an impact on inclusive economic development in the regions, increasing the incomes of the population and improving the quality of life. Below are the dynamics of these results in 2018-2020.

Final results of the Improvement of key infrastructure supporting competitiveness and environmental sustainability of the country and regions:

Impact indicators	Measurement unit	Baseline (2017)	Target 2018	Result 2018	Target 2019	Result 2019	Target 2020	Result 2020
Reduced time of traveling and cargo transit on national and international importance roads	Reduced number of car accidents	1,278	1,100	1,028	1,000	952	950	816

Improved road infrastructure has resulted in increased passenger safety, which has been reflected in a consistent reduction in the number of road accidents. This trend continued in 2020 as well. The number of cases amounted 816, which is less than the figures for 2018 and 2019.

Impact indicators	Measurement unit	Baseline (2017)	Target	Result	Target	Result	Target	Result
			2018	2018	2019	Result	2020	2020
Share of households connected to gas supply systems	Quantity	260,800	15,542	15,542	14,894	10,199	45,612	36,693
Average annual production of new/rehabilitated hydro stations	Mgvt. H	8,708	23,590	44,649	117	57	-N/A	38

As a result of improved gas supply in 2020, the number of customers increased 3 times and more compared to the previous year, although this increase did not exceed the target of the same year, and the average annual output of rehabilitated hydropower plants in 2020 was lower than the previous year.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	
			Target	Result	Target	Result	Target	Result
Share of inhabitants having uninterrupted access to potable water	%	N/A	N/A	40	N/A	48	N/A	66

The positive trend of the results of the measures aimed at improving the water infrastructure in the regions of Georgia continued in 2020 and the share of the population with 24-hour drinking water supply has increased to 66%.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	
			Target	Result	Target	Result	Target	Result
Increased income from museums and museum-reserves	Billion USD	10,230	N/A	20,332	N/A	24,037	N/A	665

In 2020, revenue from visitors to museums and reserved areas have drastically reduced due to pandemic restrictions.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	2020
			Target	Result	Target	Result	Target	Result
Volume of foreign currency from tourism	Billion USD	2.8	3.1	3.2	3.4	3.3	3,2	0,5
Number of visits of international tourists	Quantity	7,902,509	8,236,040	8,679,544	8,583,648	9,357,964	4,997,031	1,087,093

Restrictions imposed due to the pandemic have hit the tourism sector hardest. The reduced tourist flows in 2020 was slightly more than 1 million, which is 9 times less than the previous year and almost 5 times less than the 2020 adjusted target. Consequently, the rate of foreign currency received from tourism was 6 times and much less compared to the target rate. This has had a negative impact on the income level of all employees or employers in this field.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	
			Target	Result	Target	Result	Target	Result
Volume of loans issued for agriculture by commercial banks	thousand GEL	310,347	N/A	282,379	N/A	357,026	N/A	503,569

In 2020, the volume of loans issued to agriculture by commercial banks exceeded the figures of previous years, and exceeded the baseline by 1.7 times. This value confirms the success of sector support programs in the regions.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	
			Target	Result	Target	Result	Target	Result
volume of Exported domestic products and services	Million USD	N/A	N/A	2,226,238	N/A	2,324,537	N/A	2,406,910

The pandemic did not have a strong negative impact on industrial production, resulting in no delays in exports. The volume of domestic exports did not decrease in 2020. The largest commodity groups were the copper ores mined/produced in the regions, ferroalloys, wines, mineral and fresh waters and nuts. It also means that despite the pandemic, the incomes of the people living in the regions associated with these fields would not decrease.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	
			Target	Result	Target	Result	Target	Result
Number of jobs created within the program "Produce in Georgia – Investment"	Quantity	300	700	700	700	650	500	3810
Volume of investments within the program "Produce in Georgia – Investment"	Million USD	180	120	103	160	79	10	7

In 2020, the trend of decreasing the amount of investments attracted under the program continued, however, in terms of job creation, in 2020 the rate increased sharply mainly as a result of anti-crisis measures taken in the hotel sector.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	
			Target	Result	Target	Result	Target	Result
Increased indicator of persons involved in vocational education	Quantity	11,541	N/A	7,616		7699	N/A	7363
Vocational Education Graduates Employment Index (Self-employment Index)	Self-employment index	56.2% including 8% self-employed)	N/A	60% including 11% self-employed)		62% (including 11 self-employed)	N/A	49% (including 11% self-employed)

The self-employment index of those who received vocational education was lower than in previous years. This is related to pandemic-induced restrictions and has had a negative impact on regional employment.

Impact indicators	Measurement unit	Baseline (2017)	2018		2019		2020	
			Target	Result	Target	Result	Target	Result
Number of SMEs and other economic actors/initiatives which benefit from the new and rehabilitated infrastructure	Quantity	N/A	807	633	N/A	695	N/A	1059

As already mentioned, despite the pandemic, the implementation of infrastructure projects continued in the municipalities as well. In 2020, the amount absorbed from the fund of projects to be implemented in the regions amounted to 360 million GEL, which was more than in 2018 and 2019, both in absolute terms and as a percentage. In 2018, the absorption rate consisted 72%, in 2019 - 92%, and in 2020 - 99.5%. as a result of increased financing, the number of small and medium-sized businesses and economic entities that have benefited from the new and rehabilitated infrastructure has also increased compared to previous years.

Section III: Recommendations related to Implementation of Measures

In the field of road infrastructure, as in previous years, the issue of updating outdated "construction norms and rules" remains relevant. The existing various instructions and additions are outdated and need to be updated, but direct transfer and use of the normative technical base of developed countries is not advisable. In the future it is necessary to harmonize the old and modern standards in order to be able to converge with the standards recognized in the modern world and the international legislative norms. This requirement is derived including from donor organizations.

For the further development of **Kutaisi Airport infrastructure**, it is necessary to continue negotiations with commercial banks in order to find additional funds needed to complete the project.

In addition to highways, it is necessary to develop an initiative package for the further development of other strategic transport infrastructure, in particular the development of logistics infrastructure and the clustering of logistics activities and the creation of favorable conditions.

In order to ensure access to finance for micro, small and medium-sized businesses, it would be appropriate to increase the "ceiling" (maximum amount) of project financing and at the same time, to raise the standards of quality requirements.

In order to promote **foreign direct investments**, it is necessary to encourage investment projects and improve the infrastructure in the regions to facilitate their implementation. This includes repairing roads, bringing communications to the site of a potential enterprise (gas, electricity, water), in addition, in the case of service companies, the availability of fast internet and office space is crucial. Lack/scarcity of such infrastructure is a serious obstacle to attracting investments to the regions.

In order to implement **water supply and sewerage projects**, it is important to attract qualified staff from the labor market and create an additional new staff base, develop/update strategic documents in this area.

In order to improve the **solid waste management system**, non-hazardous waste landfill monitoring procedures should be introduced (based on legislation) and a monitoring laboratory should be established. This will facilitate the fulfillment of the company's strategic priorities, the fulfillment of Georgia's obligations under the Association Agreement with the European Union and the agreements signed with international donors.

In order to protect the **cultural heritage** and improve the management of the museums, it is necessary to regularly monitor the museums, train the staff of the museums and improve the infrastructure and material-technical bases of the museums.

Rehabilitation of **public schools** requires high quality planning, preparation and constant monitoring of construction work deadlines and financial schedules.

In order to promote **higher education**, it is necessary to popularize the "European Student National Project" in regional higher education institutions and disseminate research results.

In order to improve the professional retraining of national minorities, for the representatives of national minorities it is desirable, in parallel with the educational process, to carry out various activities promoting their integration (excursions, field trips, etc.).

In order to facilitate provision of **scientific grants and facilitate scientific research**, to improve the management, implementation and programming of relevant measures it is necessary to develop a monitoring system.

It is advisable to maintain and increase the amount of funding for the State Program for Social Rehabilitation and Child Care.

In order to promote the **development of high mountainous regions** and achieve long-term results, it is essential to maintain the timely issuance of benefits and continue to work to improve the coordination and administration process.

Improving **natural disaster protection infrastructure** requires further increased funding and the recruitment of qualified personnel.